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Y 4. Ed 8/1: 99-55

THE SCHOOL EXCELLENCE AND REFORM ACT

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ORIGINAL

HEARING

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

ON

H.R. 2840

SCHOOL EXCELLENCE AND REFORM ACT

HEARING HELD IN WASHINGTON, DC, SEPTEMBER 18, 1985

Serial No. 99-55

Printed for the use of the Committee on Education and Labor

U.S. GOVERNMENT PRINTING OFFICE

55-385 O WASHINGTON : 1986

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THE SCHOOL EXCELLENCE AND REFORM ACT

WEDNESDAY, SEPTEMBER 18, 1985

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to call, at 10 a.m., in room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins (chairman of the subcommittee) presiding.

Members present: Representatives Hawkins, Kildee, Owens, Goodling, Gunderson, Chandler, McKernan, Armey, and Fawell.

Staff present: John F. Jennings, Counsel; Andrew Hartman, Republican legislative associate; and Nancy Kober, legislative specialist.

[Text of H.R. 2840 follows:]

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99TH CONGRESS
1ST SESSION

H. R. 2840

To provide assistance to States for educational excellence and for assuring access for underserved populations to the benefits of general State educational reforms.

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 1985

Mr. HAWKINS introduced the following bill; which was referred to the Committee on Education and Labor

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A BILL

To provide assistance to States for educational excellence and for assuring access for underserved populations to the benefits of general State educational reforms.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "School Excellence and Reform Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that it is in the national interest—

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(1) to reinforce the current educational excellence movement; and

(2) to ensure that reform and equity extend to children historically unserved by such local and State efforts.

(b) PURPOSE.—It is the purpose of this Act—

(1) to promote and enhance educational excellence and reform in the Nation's schools; and

(2) to improve access to that education for our Nation's poor and minority youth.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $2,000,000,000 for fiscal year 1987 and such sums as may be necessary for each of the 4 succeeding fiscal years for the purpose of making payments under sections 4 and 5.

SEC. 4. PAYMENTS FOR GENERAL IMPROVEMENT AND EXCELLENCE.

(a) STATE ALLOCATION FORMULA.—From one-half of the amount appropriated pursuant to section 3 for a fiscal year, the Secretary shall reserve 1 percent thereof for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs. From the remainder of one-half of such amount, the Secretary shall allocate to each State that has an ap-

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proved application under section 7(a) an amount which bears the same ratio to such remainder as the total number of children aged 5 to 17, inclusive, in the State bears to the total number of such children in all the States, except that no State shall receive less than an amount equal to 0.5 percent of such remainder.

(b) LOCAL ALLOCATION FORMULA.—(1) A State educational agency may reserve 1 percent of the amount allocated to that State under subsection (a) for the costs of administering general improvement and excellence programs and projects under this Act.

(2) From the remainder of the amount allocated to the State pursuant to subsection (a), the State educational agency shall allocate to each local educational agency applying for an allocation under this section and having an approved application (or renewal thereof) under section 7 an amount which bears the same ratio to such remainder as the sum of—

(A) 2.25 percent of the payment rate established under subsection (c) for such local educational agency multiplied by the number of children aged 5 to 17, inclusive, in the area served by such agency who are eligible to be counted under section 111(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711(c)); and

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(B) 2 percent of such payment rate multiplied by the number of children aged 5 to 17, inclusive, in the State who are not eligible to be so counted;

bears to the sum of such products for all such local educational agencies.

(3) If the amount allocated under paragraph (2) to any local educational agency or consortium of such agencies is less than $1,000, the State educational agency shall reallocate such amount among the other local educational agencies in such State receiving allocations under such paragraph of $1,000 or more by ratably increasing such allocations.

(c) PAYMENT RATE.—(1) The payment rate for any local educational agency in any State for any fiscal year shall be equal to the average per pupil expenditure for that State, except that the payment rate for any agency shall not be less than the average per pupil expenditure in the United States.

(2) For the purposes of paragraph (1), the term "average per pupil expenditure" has the meaning provided by section 198(a)(2) of the Elementary and Secondary Education Act of 1965.

SEC. 5. PAYMENTS FOR REFORM AND EQUITY.

(a) STATE ALLOCATION FORMULA.—From one-half of the amount appropriated pursuant to section 3 for a fiscal year, the Secretary shall reserve 1 percent thereof for payments to Guam, American Samoa, the Virgin Islands, the

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Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs. The Secretary shall reserve an additional 1 percent thereof to carry out the purposes of section 9 of this Act. From the remainder of one-half of the amount appropriated pursuant to section 3 for a fiscal year, the Secretary shall allocate to each State that has an approved application under section 7(a) an amount which bears the same ratio to such remainder as the total number of children aged 5 to 17, inclusive, in the State who are eligible to be counted under section 111(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711(c)) bears to the total number of such children in all the States.

(b) LOCAL ALLOCATION FORMULA.—(1) A State educational agency may reserve 15 percent of the amount allocated to that State under subsection (a) for the costs of operating and administering categorical programs and projects under this Act.

(2) From the remainder of the amount allocated to the State pursuant to subsection (a), the State educational agency shall allocate to each local educational agency applying for an allocation under this section and having an approved application (or renewal thereof) under section 7 an amount determined under a formula—

(A) composed of only the following factors:

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(i) the number of children aged 5 to 17, inclusive, who are eligible to be counted under section 111(c) of the Elementary and Secondary Education Act of 1965;

(ii) the graduation rate;

(iii) the absentee rate; and

(iv) the number of low-achieving students; and

(B) under which the relative weights of such factors are established by the State educational agency.

SEC. 6. AUTHORIZED ACTIVITIES.

(a) PERMISSIBLE USES OF GENERAL IMPROVEMENT AND EXCELLENCE FUNDS.—Funds allocated to any local educational agency pursuant to section 4 may be used—

(1) to pursue general educational excellence and to improve instruction in mathematics, the sciences, communications skills, foreign languages, and technology; and

(2) where necessary, for guidance and counseling.

(b) PERMISSIBLE USES OF REFORM AND EQUITY FUNDS.—(1) Funds retained by a State pursuant to section 5(b)(1) may be used to administer and carry out categorical programs and projects.

(2) Funds allocated to any local educational agency pursuant to section 5(b)(2) may be used for the development,

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expansion, or improvement of any of the following categorical programs and projects:

(A) early childhood education;

(B) school day care;

(C) in-service teacher training;

(D) dropout prevention;

(E) effective schools; and

(F) improvement of secondary schools basic skills instruction.

SEC. 7. APPLICATION REQUIREMENTS.

(a) STATE APPLICATION.—In order to receive an allocation under section 4 or 5 for any fiscal year, each State shall submit an application to the Secretary that—

(1) meets the requirements of paragraphs (1), (2), (3), (5), (6), and (8) of section 435(b) of the General Education Provisions Act (20 U.S.C. 1232d(b)); and

(2) describes the intended use of funds to be retained by the State under section 5 to enhance State reform efforts.

(b) SUBMISSION OF LOCAL APPLICATIONS FOR GENERAL EXCELLENCE AND REFORM AND EQUITY FUNDS.—(1) For any fiscal year, a local educational agency may submit a single application for an allocation under section 4 or an allocation under section 5, or both. Two or more local educational agencies that propose to conduct joint programs

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and projects from funds provided under section 4 may file such application as a consortium or other combination.

(2) A local educational agency may not apply for an allocation under section 5 unless the total number of children aged 5 to 17, inclusive, in the schools of such agency who are eligible to be counted under section 111(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711(c)) exceeds the lesser of 5,000 or 20 percent of the total enrollment of such schools.

(c) CONTENTS OF LOCAL APPLICATIONS.—(1) In order to receive an allocation under section 4(b)(2) or under section 5(b)(2) for any fiscal year, a local educational agency shall have on file with the State educational agency an application which describes the programs and projects to be conducted with such allocation and which includes a plan for the improvement of the selected educational areas covered by such programs and projects.

(2) An application by a local educational agency or consortium thereof, or renewal of such an application, shall also contain assurances that—

(A) the programs and projects are designed and implemented in consultation with parents and classroom teachers of the children to be served;

(B) the funds received under this Act will be used only so as to supplement and, to the extent practical,

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increase the level of funds that would, in the absence of funds received under this Act, be available from non-Federal sources for the education of pupils participating in programs and projects assisted under this Act, and in no case used so as to supplant funds from such non-Federal sources; and

(C) the local educational agency will comply with the requirements of subsection (d), relating to maintenance of effort.

(d) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this Act for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

(2) The State educational agency shall reduce the amount of the allocation of funds under this Act in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of paragraph (1) by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency), and no such lesser amount

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shall be used for computing the effort required under paragraph (1) for subsequent years.

(3) The State educational agency may waive, for one fiscal year only, the requirements of this subsection if the State educational agency determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency.

SEC. 8. EDUCATIONAL ACCOUNTABILITY.

(a) ACCOUNTABILITY FOR USE OF FUNDS.—(1) Each local educational agency receiving an allocation under this Act for any fiscal year shall submit to the State educational agency—

(A) evidence of progress in particular areas for which funds were expended; or

(B) evidence of general improvement in the educational system, such as—

(i) reductions in, or the maintenance of acceptable levels of, absenteeism, discipline problems (such as suspension and expulsion), and dropouts at the secondary level;

(ii) more instructional time; and

(iii) smaller class size.

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(2) At the State's discretion, the State educational agency may conduct audits on a sampling basis to verify the accuracy of the local educational agency submissions under this subsection.

(b) CONTINUED FUNDING CONTINGENT ON PROGRESS DEMONSTRATION.—No local educational agency shall be eligible to obtain an allocation under this Act for more than three fiscal years unless the evidence submitted under subsection (a) demonstrates progress as verified by the State.

SEC. 9. BUSINESS INVOLVEMENT MATCHING GRANTS.

From the amount reserved for purposes of this section pursuant to the second sentence of section 5(a), the Secretary is authorized to make grants to local educational agencies in an amount equal to not more than 50 percent of the fair market value of any donations made to such agency by local business concerns for the conduct of programs and projects under this Act. Such donations may be in cash or in kind, and may consist of equipment, the services of business personnel, or training provided to such agency.

SEC. 10. DEFINITIONS.

As used in this Act, the term—

(1) "Secretary" means the Secretary of Education;

(2) "State" means the several States, the District of Columbia, and Puerto Rico, and, except for purposes

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of sections 4(a) and 5(a), includes Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

(3) "State educational agency" has the meaning provided by section 595(a)(3) of the Education Consolidation and Improvement Act of 1981;

(4) "local educational agency" has the meaning provided by section 595(a)(4) of such Act;

(5) "parent" has the meaning provided by section 595(a)(5) of such Act; and

(6) "elementary school" and "secondary school" have the meaning provided by section 595(a)(7) of such Act.

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Chairman HAWKINS. The Subcommittee on Elementary, Secondary, and Vocational Education is called to order.

This morning the subcommittee is conducting a hearing on H.R. 2840, the School Excellence and Reform Act.

I introduced this bill in order to initiate a discussion about the future direction for Federal aid to education.

Nearly every State has undertaken new efforts in the name of educational excellence, from requiring competency tests to raising graduation requirements. This reform movement has engendered many improvements in education, but gaps remain in our commitment to educational quality for all students.

First, State and local funding sources are insufficient to meet the demands for excellence. For example, it has been estimated that to carry out the recommendation of "A Nation at Risk," one of the early reform reports, would cost $14.1 billion, not even considering the recommendations for a longer school day and textbook improvement.

States and localities are largely doing their share, but the Federal Government has recently become a worse partner in education. The Federal share of educational expenditures dropped from 10.6 percent in school year 1980–81 to 8.3 percent in school year 1984–85.

Second, the emphasis on higher standards and more testing has revealed that a large number of students with special needs are not benefiting from these reforms or are being left out altogether.

Dropout rates range from an average of 28 percent to over 50 percent in some urban areas. Increased graduation requirements will have little effect on these youth. Other students who stay in school cannot pass minimum competency tests, but the funding for special remedial programs is not always there.

These are some areas where I feel the Federal Government can reinforce and expand upon the educational excellence movement.

H.R. 2840 sets forth a two-pronged approach to provide general support for excellence and special assistance for equity.

Under this bill, one-half of the funds appropriated would flow to all school districts to pursue general educational reform and improve instruction in key areas, such as mathematics, science, communication skills, foreign languages, technology, and guidance and counseling.

The remaining half would support grants to school districts with the highest concentrations of poor children. These funds would be used for special categorical programs such as dropout prevention, improving the basic skills of secondary school students, development of effective school programs, early childhood education, and other activities.

For fiscal year 1987 $2 billion would be authorized for these purposes, and for the 4 succeeding fiscal years such sums as necessary would be authorized.

I believe H.R. 2840 offers school districts the flexibility to target funds where they are most needed, while clearly delineating an appropriate Federal role in the educational excellence effort.

Twelve educational organizations and associations are supporting this bill. We look forward to the testimony of the witnesses this morning.

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At this time I yield to the ranking minority member, Mr. Goodling.

Mr. GOODLING. Mr. Chairman, my head is crammed full of facts and figures and ideas and thoughts about nutrition. Until we get through today on the floor, I won't be able to give much thought to anything else, and I will reserve my comments until I have a chance to study my lesson.

Chairman HAWKINS. Thank you. I possibly should have followed suit.

Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman.

Just briefly, I have always said and believed, and you have heard me say this many times, that education is a local function, a State responsibility, and a very, very important Federal concern. And I think in the last few years we have not really addressed that Federal concern very well, and I think this bill will help us more effectively to address that Federal concern in education. I am happy to be cosponsor of this bill and look forward to hearing the witnesses this morning.

Chairman HAWKINS. Well, thank you.

The Chair will proceed then with the scheduled witnesses this morning.

First of all, we have a very distinguished colleague of ours from the Senate side. We are delighted to not only indicate his great contribution to education, which we sincerely admire, but also to welcome him. I think this is the first time before the committee, if I am not mistaken. But in any event, the Honorable Gary Hart, the U.S. Senator from Colorado.

Senator, we welcome you and look forward to your testimony.

STATEMENT OF HON. GARY HART, U.S. SENATOR FROM THE STATE OF COLORADO

Senator HART. Mr. Chairman, thank you very much. It is in fact my first opportunity to be before this distinguished subcommittee and I consider it an honor.

I want to congratulate you and the other members of the subcommittee on your foresight and leadership in calling these hearings and addressing what increasingly many of us in the Congress and many people in the country feel is perhaps the number one priority of our Nation.

My comments, Mr. Chairman, this morning focus on the School Excellence and Reform Act and the opportunities it provides to invest in America's young people and America's future.

As perhaps you know, several years ago in previous Congresses I introduced a bill called the American Defense Education Act, and I am here this morning on behalf of the School Excellence and Reform Act because that bill incorporates many of the key features that some of us sought to enact into law in previous years under the title of the American Defense Education Act.

Mr. Chairman, both houses of Congress, as we all know, are preoccupied with the growing trade deficit. There are more than 300 trade-related bills that have been introduced which propose a wide

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range of solutions, many of which emphasize what is called protectionism.

But much of the trade debate has missed what I think is an essential fact: that a prerequisite for a highly productive economy is a work force that is trained in the advanced skills required by an increasingly complex world.

Education programs that provide these skills bear directly on our Nation's ability to compete internationally.

Without the best scientists our country can't hope to invent the next breakthroughs in computers and lasers. Without the best engineers our machine tools can't long outsell those produced overseas.

Indeed, without a work force equipped with the advanced technological skills that are necessary, our Nation will not enter the 21st century as a leader in the international marketplace.

Unfortunately, there are a number of disturbing signs which indicate that we are failing to educate our young people relative to our international competitors.

For example, one-half of all high school students in the United States take no mathematics or science beyond the 10th grade.

In contrast, as we know, nearly all college-bound students in Japan take three natural science and four mathematics courses during their 3-year high school career.

The general curriculum in the Soviet Union requires that all youngsters complete two years of calculus, 5 years of physics, 4 years of chemistry, and 5 years of algebra.

These competitors recognize that a quality system of education goes hand in hand with their country's economic security. Most of us in the United States share this view, but unfortunately not all of our colleagues in the Congress or in the administration apparently agree with us.

In its fiscal year 1985 budget, the administration proposed a freeze or cut in almost all of our elementary and secondary education programs, including a freeze in the vastly underfunded Math/Science Education Program. The cuts proposed represent a real cut in funding of about 9 percent in 1986 from 1985 levels, an amount that would reduce services to about 100,000 students.

Mr. Cnairman, investment in education was not a top priority of the administration when it issued its budget proposal. But the alarming trade deficit reminds us that the priority list must be reordered. This time we must ensure that investment in education is at the top of the list, for it bears directly on our children's future and this Nation's future, economically and in just about every other way we can think of.

This investment is essential not only to our country's economic future, but as well is critical to our national security. The growing complexity and sophistication of our military technology require that our Armed Forces personnel master skills in such areas as computer programming, electronics and advanced communications systems.

I have had the opportunity to serve for 11 years on the Armed Services Committee of the U.S. Senate, and I know of the growing gap between the sophistication of the weaponry which this Nation produces and the skills of the people that handle that equipment.

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I don't think we can say we really care about our Nation's security if we are cutting the ability of those who go into the uniformed services of our Nation—the ability to maintain and operate that increasingly sophisticated equipment.

Our Nation's willingness to invest in education also bears directly on the vision and the hope of our young people.

Students who learn the most advanced skills and who learn to think clearly and critically not only ensure a bright future for our Nation, they also gain for themselves a sense of hope. Unfortunately, too many youth today do not look toward the future with such hope.

Many poor youngsters—and statistics reveal that one in five children live in poverty—lack meaningful educational opportunities to learn and to excel. This educational underclass is effectively prevented from learning to read, from acquiring basic skills, from gaining technological knowledge, and from facing the future with optimism.

Alarming statistics confirm the existence of this educational underclass. Today, almost 20 percent of black young people and as high as 34 percent of Hispanic young people are dropping out, compared to about 14½ percent of white young people.

Thirteen percent of all 17 year olds can't read or write sufficiently for everyday functioning. Indeed, the existence of this two-tiered system sounds a discordant note in a nation that boasts of equal opportunity for all.

Mr. Chairman, the School Excellence and Reform Act, composed of two major parts, is a comprehensive and effective national response to these critical challenges that face our educational system. Section 4 of that act is modeled after the legislation that I have already mentioned, the American Defense Education Act. And I am pleased that this bill retains that important provision.

The education programs authorized by that section enable our schools to equip our youngsters with math, science, foreign languages and communication skills. These programs not only prepare our young people for the future but they contribute as well to our economic and national security in years to come.

Section 5 of the School Excellence and Reform Act provides schools with the tools to combat the barriers to educational opportunity faced by many of our economically disadvantaged youngsters. This section authorizes programs that rescue children from this educational underclass at all stages of the educational process.

Dropout prevention programs, early childhood education projects and improvements in basic skills instruction will provide all young people with the knowledge and skills to look forward to the future with hope.

The School Excellence and Reform Act also encourages partnerships among those who share responsibility for our children's education: parents, teachers and local school districts.

The School Excellence and Reform Act does not create a Federal bureaucracy to implement a vast new program. Instead, the Federal Government acts as a catalyst to encourage local school districts to develop effective programs, as the chairman has indicated. Local initiative and flexibility are stimulated, rather than stifled.

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Most important, Mr. Chairman, the School Excellence and Reform Act encourages our country to prepare our children for the challenges of the 1980's and 1990's. Quality education programs will equip students with the skills they need to prosper and grow in a changing economy. These programs will be accessible to every young girl and boy.

The School Excellence and Reform Act is a bill that contains vast opportunities for the development of new and improved education programs. The programs, of course, are not cost free. But neither are a second rate economy, a weak military, or a dispirited citizenry.

Mr. Chairman, you well know, and the subcommittee knows, that the debate has gone on in recent years in the Congress between whether we can, in effect, buy a higher degree of excellence in our education system. I don't think any of us believe that this is a problem for our Nation or a challenge for our Nation which money alone can solve. But I think many of us increasingly believe that unless we begin to match the investments of other nations in the world, both free and controlled societies, that we are dooming ourselves to a second class society and a deeply divided society.

Carl Sandberg, the poet, once said:

> Some sacred seed lurks in each human personality no matter how lowly its arrival upon earth. To give every such seed the deepest possible roots and the highest possible flowering is [the essence of] the American dream.

Mr. Chairman, we owe it to our children and our Nation to make this investment in the future today.

Thank you very much.

Chairman HAWKINS. Thank you, Senator. I think your statement speaks for itself. I have no questions with respect to the statement.

Let me merely confine myself to one point which I would like to share with you.

I, too, had introduced the American Defense Education Act last year. We had over 219 sponsors, as I recall. The specific number I don't know, but we had more than a majority in the House.

Despite the fact that we had this large sponsorship of that proposal, numerous sponsors came to me in the closing days of the session and indicated to me because of the deficit situation we should not bring the measure up. Out of deference to that expediency, I did postpone action on the bill at that time, even though it had been reported out of this committee with large support.

The introduction again of a bill, which you obviously support, the School Excellence and Reform Act, is in the midst of this obsession again with deficit reduction, with the implication being that again we might have to delay action on this proposal, and I assume next spring maybe the same thing.

This constant delaying of what has been cited in many reports as the No. 1 issue facing the Nation to me is very destructive and obviously I have strong feelings about the cost effectiveness of these programs, as apparently you do also.

May I ask you, therefore, in a sense to share with me this great dilemma that we face, that although we truly believe that this is an issue we cannot delay, unfortunately many of our colleagues seem to be persuaded otherwise. For what reason, it is difficult for

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me to say. And I am not talking about members on this side, I am talking about liberal Democrats, the so-called liberal Democrats who somehow feel the same as this. So, I am not talking about anyone specific in terms of party affiliation because I am somewhat embarrassed that some of my most liberal friends, who were sponsors of that bill, who sat over here and who listened to the testimony, somehow felt the same way.

Would you care to comment on this situation, as to how long can we deliberately delay facing this issue, or are we faced with a crisis that we have got to face now? Should we go on with this dilly-dallying around, constantly delaying what we know must be done?

Senator HART. Mr. Chairman, I think that is the essence of the problem. Let's compare our country to a business. And let's say that the business under one management invested its profits in a cafeteria for its employees and a playground for the children of the employees and the business went into deficit.

Let's say new management came in and decided that the profits of the company ought to be put into a security fence around the building and armed guards and locks on the doors to make the business more secure, and the business went into even more deficit.

And then let's say that the manager said, this business can't keep going in deficit, so we have got to cut back all across the board, although some continued to want to put money into the chain link fence and the armed guards around the perimeters. But nobody was investing in the workers.

Well, that is a business that is going to decline and have no profit at all very soon. And I would liken this bill to the investment in the workers of that business.

If you are not training your employees and if you are not investing them with the skills that are necessary to do whatever it is your business does, it doesn't matter if you have the strongest chain link fence or playgrounds for the children of the employees. That business is just not going to prosper.

I can't think—if you want to keep with the business analogy—of any better or more important investment for this country economically—economically—we are not talking about handouts or giveaways or frills, we are talking about basic economics here, and as I also indicated, national security. And if we can't find the money to invest in the next generation of this Nation, then I don't know what all the rest of it is all about.

Chairman HAWKINS. Thank you for your answer, Senator.

Mr. Goodling.

Mr. GOODLING. I have no questions of the Senator. I would like to share what I have already shared with members of the committee since returning from Japan. They have an interesting situation going on, and I shared this with them when we visited their schools.

I indicated to them that they are presently where we used to be in the school system. They are fighting like crazy to get where we now are, and we are fighting like crazy to get back to where they are.

I am not sure what significance that has for Japan's future, but it might mean that perhaps we will have a better shot at competition and the world trade, et cetera. Their concern apparently is

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that there has been so much pressure and so much rigidity that they are having other problems.

But it is amazing, they are trying to move where we are today, and we are trying to move where we were and where they are now.

Chairman HAWKINS. Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman. I have no questions, just to welcome Senator Hart to the committee and thank him for his recent visit to Michigan. Next time I will be there to greet you, Gary. Thanks a lot.

Senator HART. It was very enjoyable. Thank you, Congressman.

Chairman HAWKINS. Mr. Fawell.

Mr. FAWELL. I support public education very much and the act has a lot of fine features. Just last night, while I was wrestling with my conscience in regard to spending bills, I have deduced that we in this last budget have added about three-quarters of a trillion dollars to the national debt for the next 3 years. It is climbing to $2.5 trillion, and that figure is conservative because the economic assumptions Congress relies on are much too rosy. So, maybe it is $3 trillion.

That doesn't count unfunded pension indebtedness which adds a couple more trillion dollars.

We are bringing revenues in at 19 percent of GNP. We are spending at 24 percent. We have done that for about the last 7 years. We haven't balanced a budget in 22 years.

Taking the analogy of a business, any business would have gone bankrupt long ago. We certainly have a crisis, if not potential bankruptcy looking at us.

How, under these circumstances, as fine as is this bill, can we expect to give consideration to something like this?

Nobody seems to be willing to say, hey, maybe we should increase these revenues. We are all locked into a political position, I guess. What do we do?

Senator HART. Well, I am reminded that the last President who got us into either a war or military buildup and asked the American people to pay for it was, I think, Harry Truman in Korea. Three weeks after committing this Nation's Armed Forces to the so-called police action in Korea, President Truman was before the Congress not asking for a tax cut but asking for a tax increase.

I don't want to go back and fight the battles of 1981 and 1982 but it seems to me we should not be in this pickle of being asked to sacrifice our children's future and our economic advantage and competitiveness to the necessity of reducing this deficit.

All I can say is that being in the pickle that we are in that I believe that there are some tradeoffs that can be made.

I mentioned in my testimony that I am serving now in my 11th year on the Armed Services Committee. I think there are ways to continue to strengthen this Nation's conventional forces and modernize them and defend this Nation without some of the extravagances and the weapons systems that we are buying.

Just one of those major weapons systems would pay for this bill, and I don't mean MX or the F-15 fighter—probably a less major weapons system than one of those. And I think that is what we are paid for—to make those hard choices.

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I believe it is possible to find the money for this bill and systematically reduce our deficit at the same time, but we will have to give up some other things.

I guess we have to ask ourselves constantly the other question, too—what if we don't do it, what if we don't invest in the skills necessary for the future work force. It is that old TV ad—pay me now or pay me later.

Mr. FAWELL. Well, my concern is that we need to make sure that we have the revenues and the outgo closer, and even one time alterations of weapons systems isn't going to do the job, and I guess we are all locked into a situation politically where no one wants to say, hey, we do need more revenues.

Senator HART. Some people do.

Mr. FAWELL. Or business is going to be in much more serious trouble. It is a question, I realize, that perhaps can't be very well answered. But if forces myself, as a new Member of Congress, to say, I can't consider something like this under these circumstances, as much as I would like to.

I have to think about our country going bankrupt.

Senator HART. Yes.

Mr. FAWELL. It goes much further than that, and European investors pull out if Europe has better economic times. It is a frustrating situation.

Senator HART. I agree. Congressman, I have to believe that reasonable people up here—we haven't been doing it very well the last couple of years—but if we could somehow get the leadership of both parties and the White House in a room and lock the door, I have got to believe we could come up with—and there was willingness to give on the basic stumbling blocks to a deficit reduction program—a 5- to 10-year deficit reduction plan that would make sense and still provide the revenues for what increasingly, I think, are the basic investments in this Nation's future.

Mr. FAWELL. Thank you.

Chairman HAWKINS. Mr. Owens.

Mr. OWENS. No questions.

Chairman HAWKINS. Mr. Armey.

Mr. ARMEY. No questions.

Chairman HAWKINS. If there are no further questions, Senator, we, again, appreciate your visit to this side of the building and we look forward, obviously, to your leadership on the other side in connection with the furthering of the purposes of this act.

Senator HART. Mr. Chairman, thank you. I am honored to be here.

Chairman HAWKINS. Fine, thank you.

The next witnesses will consist of a panel, Mr. Arthur J. Holland, mayor of Trenton, NJ., trustee, U.S. Conference of Mayors; Ms. Mary Hatwood Futrell, president of the National Education Association; and Ms. Millie Waterman, PTA member from Ohio, vice president for legislative activity of the National PTA.

Mr. Holland, Ms. Futrell, and Ms. Waterman, we welcome you as witnesses this morning. We certainly look forward to your testimony.

This is, as has been indicated, only the beginning of a series of hearings which will take place not only here in Washington. It is

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the Chair's expectation that as soon as we are permitted by legislative business to do so, we will hold a series of hearings in other parts of the country. We deem the bill that we are hearing today, H.R. 2840, to be certainly one of the major issues facing the Nation, a solution to some of our more severe problems.

We will call on you in the order in which we announced, beginning with Mayor Holland, who is not a stranger to this committee. He has been before us before.

Mayor Holland, we certainly welcome you back.

STATEMENTS OF ARTHUR J. HOLLAND, MAYOR, TRENTON, NJ, TRUSTEE, U.S. CONFERENCE OF MAYORS; MARY HATWOOD FUTRELL, PRESIDENT, NATIONAL EDUCATION ASSOCIATION, ACCOMPANIED BY LINDA TARR-WHELAN; AND MILLIE WATERMAN, PTA MEMBER, OHIO, VICE PRESIDENT FOR LEGISLATIVE ACTIVITY, NATIONAL PTA

Mr. HOLLAND. Thank you, Mr. Chairman, members of the subcommittee. I am Arthur J. Holland, mayor of Trenton, and a trustee of the U.S. Conference of Mayors.

I have served on the conference's Human Development Committee, which has jurisdiction over education issues, for many years and chair the Civil Rights Subcommittee.

I am honored to appear before you this morning because of the leadership and perseverance this committee has shown in education. You have written and reported out numerous laws which have shaped our educational system.

Just in the last Congress you passed the American Defense Education Act, Arts and Education, the Education Amendments of 1984, the Education for Economic Security Act, the Emergency School Aid Act, the Equal Access Act, and the National School Lunch and Child Nutrition Act, among others.

Some became public laws, other did not. Regardless of the outcome, this committee has made an important difference.

You are considering now a bill introduced by your distinguished chairman, the School Excellence and Reform Act, which would at the same time reinforce current efforts in educational excellence by the States and local school districts and ensure that these reforms do not pass by the children who are unserved or underserved.

Let me assure you that the Nation's mayors strongly support this legislation.

Our Nation has celebrated the 30th anniversary of *Brown* v. the *Board of Education*. Yet we should recognize that today we still have separate but unequal school systems in many parts of our country.

One of the most basic injustices in our society is that children who need help the most attend public schools in communities which have the fewest resources from which to draw.

Children from affluent families already have a headstart, and their advantages are perpetuated through their attendance at well-financed school systems, systems with relatively low levels of children with educational and emotional handicaps that can drain resources.

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The Federal Government is the one intergovernmental entity which can redistribute resources for the benefit of all children. Yet recent decreases in Federal funds for education have widened the educational gap of urban children.

In school year 1980–81 the Federal Government provided 10.6 percent of the total educational expenditures. By school year 1984–85 Federal aid had dropped to 8.3 percent.

For those same years in the Nation's major urban school districts Federal funds declined by 5.2 percent, really by 25.9 percent when the dollars are adjusted for inflation.

Adoption of such measures is tuition tax credits or educational vouchers would further place urban school systems in jeopardy, diverting additional resources to private schools and accentuating segregation patterns.

It is worth noting also that the fiscal stability of State and local governments is under attack on many fronts.

Federal funds for general revenue sharing, urban development action grants, community development block grants, and a host of social programs are continually being threatened with cuts or outright elimination.

Tax reform proposals, specifically to eliminate the deductibility of State and local taxes, are under review. These would greatly inhibit the ability of local governments to raise revenues.

Court decisions, such as the recent *Garcia* case—and, Mr. Chairman, the conference certainly would appreciate, and I know you would respond affirmatively, your help with regard to that particular matter, which has affected so adversely many of our municipalities across the country—are saddling many localities with significant unanticipated expenditures.

And even private sector actions are having a serious negative impact on cities. Many cities have seen tremendous increases in the cost of liability insurance. Others have been unable to renew their policies and have seen their policies canceled outright.

With all of these factors, it is highly unlikely and will probably be impossible for local taxpayers to make up for Federal cuts in education or to take on new initiatives.

While we know that the problems in education cannot be solved solely with money, as Senator Hart noted, it would be ridiculous to expect that a reduced role for the Federal Government would increase quality and equality in the Nation's public schools.

The School Excellence and Reform Act would assure that the Federal Government would provide help in achieving excellence and equity in education at a time when it is especially needed.

State and local governments have the primary responsibility for education, as the chairman noted, but the Federal Government must participate fully as a partner in achieving the goals of education.

H.R. 2840 would help the Federal Government to meet its obligations in our educational partnership.

In New Jersey, fortunately, the State has moved in to assume a stronger role in meeting the needs to which I point. Just last night the Commissioner of Education in New Jersey, Kupperman, addressed a group of educational and civic leaders in our community on a program which will enable us to adjust some of the inequities

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by strengthening our principals' capacity to address problems of discipline and absenteeism, for example.

The bill balances the need for all school systems to work toward excellence with the extra efforts that are required for students with special needs. These include the 28 percent of students who drop out of school, the students who are not able to pass the competency tests because they are poorly prepared, and the low-income students who attend schools in financially strapped urban and rural areas.

Mayors have long recognized that America's heritage of universal, free public education of the highest quality is essential to the health of our families, our industries, and our cities, and has formed the foundation of our democratic traditions and institutions.

Both public and private institutions, including Federal, State, and local governments, educators, organized labor, parents' groups, individual corporations, and business organizations, have a role to play in preparing our public school system to improve its standards and performance, now and in the future.

The mayors strongly urge all sectors of our society to act together in joint partnership with our public school system in pursuit of excellence and equity in education.

Mr. Chairman, the U.S. Conference of Mayors stands ready to work with you to achieve passage of the School Excellence and Reform Act and to participate in any efforts that will provide a better education to our children.

Chairman HAWKINS. Thank you.

The next witness is Ms. Mary Futrell, president of the National Education Association.

Ms. Futrell, we certainly welcome you. You are not a stranger to this committee, either. You and your national organization certainly have been staunch supporters of the work of this subcommittee, for which we are deeply grateful and recognize this morning, and we look forward to your testimony.

Ms. FUTRELL. Thank you.

I would like, first of all, Mr. Chairman, to request that the full testimony be included as part of the record.

Chairman HAWKINS. Without objection, that will be done.

Ms. FUTRELL. Mr. Chairman and members of the Subcommittee on Elementary, Secondary, and Vocational Education, I would like to thank you for this opportunity to appear before you today.

I am Mary Hatwood Futrell, president of the National Education Association. NEA's 1.7 million members are classroom teachers, higher education faculty, and education support personnel in public schools and postsecondary institutions in each of the 50 States.

Since 1983 the education reform movement has generated new achievement standards and requirements, new accountability measures, new calls for testing of both students and teachers, and new attempts to extend the school day and year.

When all is said and done, we may have many newly implemented standards and requirements for student achievement, but we have no strategies to ensure that each and every child will have the means to meet them.

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That is why, Mr. Chairman and members of the subcommittee, we come before you today to state our strong support for the School Excellence and Reform Act, known better as SERA.

In addition to underscoring the Federal commitment to education, SERA makes a timely and twofold promise for education's well-being.

It offers every school district the opportunity and assistance to design and implement strategies and programs for educational reform. It also provides additional resources to counter those special problems uncovered in our pursuit of excellence.

For example, just today the National Assessment for Educational Progress released a study, and I have a copy of it with me and would like to ask NAEP to send you a copy—it is called "The Reading Report Card," and it reports progress toward excellence in our schools.

The report shows that we have made marked improvement in reading proficiencies by our 9-, 13-, and 17-year-old students between 1971 and 1984.

In particular, advances made by black, Hispanic, and economically disadvantaged students during that 13-year period have been sizable.

But in each of the three age categories tested, black and Hispanic students' proficiency levels were below those achieved by white students. And only a small percentage of black and Hispanic students demonstrated the ability to read at the second highest level of achievement in the study's assessment process, "adept," compared with nearly half of the white students who achieved this level by 1984.

Clearly, the gains made by our young people in the reading arena are hopeful, but not overwhelming. More work, remedial and otherwise, is needed.

Yet, there are millions of American youngsters going unserved by existing supportive programs such as chapter 1 or bilingual education.

Additionally, we have millions of words speaking to the problems of education, but few focusing on the very basic and gross disparities in school funding that still deny effective schooling experiences to millions of our young.

Mr. Chairman and members of the subcommittee, my comments are not meant to dampen the spirit of the education reform movement, only to serve as a means of pointing out that what has occurred thus far has barely scratched the surface of the great challenges yet awaiting us.

That is why we are grateful for these hearings on the School Excellence and Reform Act which allow us to focus on them.

In the 98th Congress, the American Defense Education Act was introduced in the House by you, Representative Hawkins, and by former Chairman Carl Perkins, and in the Senate by Senator Gary Hart, with the strong support of the NEA.

ADEA was seen as a pipedream when it was first introduced, but we strongly supported it because we saw it as the best vehicle to breathe new life into every school district at a particularly important time.

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ADEA's community based problem solving focus called for self determination at the local level to help respond to problems national in scope.

ADEA recognized that States and localities alone cannot bear the burden of responding to public demands for improvement in our schools. It enjoined the Federal Government to participate as a full financial partner in the reform initiative.

Since ADEA was first introduced, many individuals and educational organizations have come together to address not only the need for a legislative centerpiece to serve as a framework for our pursuit of educational excellence, but also to counter other major problems confronting us.

I am pleased to say that these efforts have resulted in the creation of SERA, and we come here today giving our full support to SERA because it incorporates ADEA's heart and soul, its basic principles. It makes a timely and twofold promise for education's well-being.

Like ADEA, SERA offers every school district the opportunity to design and implement strategies and programs for reform. And SERA offers additional resources to counter the problems yet unaddressed by the current reform movement.

Why SERA, Mr. Chairman, and why now?

Because every day we are losing millions of children in our country to poverty, poverty that robs their stomachs, ravages their bodies, stunts the growth of their minds, and steals their hopes and dreams.

Personally painful to me as a teacher are the millions we lose annually as dropouts from our schools. Nearly a third of our teenagers leave high school without a diploma in hand.

In urban areas, between 50 and 80 percent of teenagers are dropping out of school before graduation. For minority and low-income students in particular, this is a horrible reality.

We can add to this the problems of illiteracy now plaguing millions of our youth and adults.

We as a nation cannot allow these conditions to become the legacy for our future.

The NEA has recently pledged $1.7 million, a dollar for each of our members, to combat the dropout problem. But we realize that $1.7 million represents only a start in overcoming this national crisis.

That is why SERA, which would provide long-term Federal support to fighting problems such as school dropouts and illiteracy, is essential.

SERA calls for general assistance for education excellence and support for math, science, communcation skills, technology education, foreign languages, and guidance and counseling. It also would target aid to the needs of historically unserved and underserved students.

SERA represents a responsible approach to supporting excellence and reform in our public schools. It demands accountability from State and local education agencies, and it is results oriented.

SERA includes a very American concept in a truly national cause. It invites the participation of parents and all citizens in making education everyone's business.

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NEA believes that SERA is this Nation's opportunity to institutionalize a Federal education excellence policy with local determination and equity at its core.

Mr. Chairman and members of the subcommittee, the Federal Government must join local and State governmental entities to assure that the pursuit of excellence and the educational reform movement will be neither a fleeting nor a superficial experience.

We challenge this Nation, this President, and this Congress to join with us in seeking lasting education change, by ensuring that every child in this Nation has the opportunity to partake of the best education possible and a fighting chance to do so with success, through the passage of SERA.

Thank you very much.

[Prepared statement of Mary Hatwood Futrell follows:]

PREPARED STATEMENT OF MARY HATWOOD FUTRELL, PRESIDENT, NATIONAL EDUCATION ASSOCIATION

Mr. Chairman and Members of the Subcommittee on Elementary, Secondary, and Vocational Education: Thank you for this opportunity to appear before you today. I am Mary Hatwood Futrell, President of the National Education Association. NEA's 1.7 million members are classroom teachers, higher education faculty, and education support personnel in public schools and postsecondary institutions in each of the 50 states. We applaud the strength of commitment which you, Chairman Hawkins, and Members of the Subcommittee bring to the goal of excellence in education for all.

We are now in the midst of an educational reform movement unmatched since the Sputnik era prompted passage of the National Defense Education Act nearly thirty years ago. North to South, East to West, local and state education governing bodies are responding to the public demands for improvement in public education.

As part of this response, Mr. Chairman, and as a way to augment it, we come before you today to state our strong support for the School Excellence and Reform Act (SERA). In addition to underscoring the federal commitment to education, SERA makes a timely and two-fold promise for education's wellbeing. It offers every school district in the nation the opportunity and assistance to design and implement strategies and programs for educational reform. It also provides additional resources to counter those special problems uncovered in our pursuit of excellence.

In the name of educational reform, numerous legislative and administrative remedies are being tried by school systems across the country. In some cities and states, there are new achievement standards and requirements. There are new accountability measures. There is much talk of testing—testing of students and of teachers. There have been suggestions about extending the school day. "Choice" is a new code word in the education reform vocabulary.

But when all is said and done, we may have many newly implemented standards and requirements for student achievement—but we have no strategies to ensure that every child will have the means to meet them.

PURSUING EXCELLENCE REQUIRES COMMITMENT AND RESOURCES

We have performance tests—but not the supportive services sufficient to assist the millions of American youngsters required to pass them.

Just today, Mr. Chairman, the National Assessment for Educational Progress released a study, "The Reading Report Card—Progress Towards Excellence in Our Schools," which shows the marked improvement in reading proficiencies made by nine-, thirteen-, and seventeen-year-old students between 1971 and 1984. In particular, advances made by Black, Hispanic, and economically disadvantaged students during that thrteen year period have been sizable. But, in each of the three age categories tested, Black and Hispanic students' proficiency levels were below those achieved by white students. And only a small percentage of Black and Hispanic students demonstrated the ability to read at the second highest level of acheivement in the study's assessment process, 'adept', compared with nearly half of the white students who achieved this level by 1984.

Clearly, the gains made by our young people in the reading arena are hopeful, but not overwhelming. More work, remedial and otherwise, is needed.

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Yet, there are millions of American youngsters going unserved by existing supportive educational programs. Chapter 1 serves only 45 percent of the estimated 11 million children in need. As the Children's Defense Fund points out, bilingual education is reaching only one-third of the approximately 3.6 million children who are eligible. Despite attempts by Members of this Subcommittee to correct the situation, vocational education programs continue to perpetuate inequities by segregating student opportunity by sex and race.

And we have millions of words that speak to the problems of education—but few that focus on the very basic and gross disparties in school funding that still deny effective schooling experiences to millions of this country's young.

EQUAL OPPORTUNITY EDUCATION MUST REMAIN A PRIORITY

While many of the recent national education reports devote space to the principle that educational reform must bring excellence for all, few have addressed the problem of unequal educational experience. As Harold Howe so aptly puts it: "Clearly there is little remaining commitment to the idea that separate and unequal schools are unacceptable and not enough commitment to equal opportunity to elicit clear and specific recommendations on how these crucial goals are to be pursued."

Mr. Chairman, these introductory comments are not intended to dampen the spirit or the momentum of the educational reform movement. Neither are they intended to unduly criticize the many well-intended measures that have been taken in the name of educational reform. Rather, they serve as a means of pointing out that what has occurred thus far has barely scratched the surface of the greater challenges still facing us in the field of education.

My comments are offered in an attempt to help us focus on what the reform movement has really produced and, in a more substantive way, to point out the necessity for broadening that effort. We have "many miles" yet to go in the education reform movement. We have many education problems that remain unresolved. But to find those answers we need to inspire all Americans to become involved so that we can ensure that every American child has the best education this nation can provide.

The education reform movement, Mr. Chairman, is still in its infancy. If it is to grow and to mature into a long-lasting campaign for excellence in education for all, I believe there are several compelling issues that must be addressed. I thank you and this Subcommittee for these hearings on the School Excellence and Reform Act which allow us to focus on them.

As NEA's Blue Ribbon Task Force on Educational Excellence points out in "An Open Letter to America on Schools, Students and Tomorrow:"

"The conflict over public education is a debate over the values and goals which should shape our society. It is a debate over the expectations we should have for ourselves and our children, for our future, and for our society. The dream of what America can be, the high goals her people share, and the great strengths her people possess have always been closely interwoven with our system of public education."

ADEA OFFERED INNOVATION, LOCAL CONTROL

In the 98th Congress, the American Defense Education Act (ADEA) was introduced in this House by Chairman Carl Perkins and Gus Hawkins and in the Senate by Sen. Gary Hart, with the strong support of the National Education Association. We supported this measure because we saw it as the best hope for breathing new life into reform movements in every school district across this country.

ADEA offered school districts both incentives and resources to improve the programs that impact on our national education priorities. It called on local communities to tailor-make programs to fit the needs of their schools—whether by improving curriculum design, preparing new or specific courses, or providing teacher training in critical subject areas such as math, English, or science.

ADEA reaffirmed many of the concepts on which the federal role in education has been built since the early years of the Republic. And it recognized the severe financial stress on local school districts attempting to respond to the public demands for change and improvement. While the federal government fully acknowledges the shortcomings of our public schools, it has recently not participated as a full and contributing financial partner to the initiatives that will correct those ills.

The effort continues in the 99th Congress for one simple reason—the educational and national needs for it still exist.

Since ADEA was first introduced, many individuals and education organizations, such as the NEA, have come together to address not only the need for a legislative centerpiece which would serve as a framework for the national pursuit of education-

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al excellence, but also a measure that would directly respond to other major problems confronting us in education. I am pleased to say that these efforts have resulted in the creation of a new legislative measure now known as the School Excellence and Reform Act.

Let me assure you that our Association's commitment to ADEA and its principles and provisions is still alive and strong. Thus, it is with no misgivings that I say to you that we are ready to bring our full support to SERA.

SERA: THE NEED IS NOW

Why SERA? Why now—when budget deficits are testing our national will to get our financial house in order?

The short answer is: For the benefit of our very future.

The long answer is more involved, yet far more compelling.

Let me begin with those most at risk in education—our young.

We all know there is nothing more painful than losing a child. Today, Mr. Chairman, we are losing them by the millions.

We are losing 13 million of them to poverty—poverty that robs their stomachs, ravages their bodies, stunts the growth of their minds, and steals their hopes and dreams.

We are losing millions of children to drugs and alcohol that fog their brains and dim their life chances.

Personally painful to me as a classroom teacher and to my colleagues are the millions we lose annually as dropouts from our schools.

Today, Mr. Chairman:

Thirty percent of 17- and 18-year olds never leave high school with a diploma in hand. In some urban areas, the dropout rates reach crisis proportions of 50 to 80 percent. For lower income students, many of them minority students, school failure is an increasing but horrible reality.

One million teenagers cannot read above the third grade level.

Thirteen percent of all 17-year-olds are functionally illiterate. Functional illiteracy among minority youth may run as high as 40 percent, according to "A Nation at Risk."

Fifty percent of college entrants dropout in their first year of higher education.

One-third of all adults are functionally or marginally illiterate.

What we have, as the recent report of The New World Foundation ("Choosing Equality: The Case for Democratic Schooling") explains, is "chronic inequality in the school resources allocated to poor and declining communities, in the ways that learning is . . . structured, in the ways schools treat diverse needs and potentials."

Mr. Chairman, we cannot allow these figures, these conditions, to become our legacy for the future. To do so would be to condemn this nation's youth to a life of underdevelopment. To do so would be to endorse the creation of a permanent underclass in our society—an underclass in which many cannot read; many cannot write; many cannot compete in the labor markets of the future; many cannot contribute what they might to our tax base which supports our nation's schools, our general wellbeing and our defense—many, in other words, who cannot function as full participants in this democracy.

While NEA just recently pledged $1.7 million—a dollar for each of our members—to fight the dropout problem, those funds do not approach the resources necessary to fight the massive problems faced in this arena. But it is a start, SERA would provide a crucial long-term federal contribution to this national problem.

SERA: BOTH GENERAL AND TARGETED AID FOR OUR SCHOOLS

SERA incorporates provisions for general aid for educational excellence as well as improved instruction in math, science, communications skills, technology education, and foreign languages, and in guidance and counselling. And it contains targeted aid to meet the needs of historically unserved and underserved students—aid for such programs as dropout prevention, early childhood education, school day care, inservice teacher training, effective schools, and secondary basic skills.

The bill represents a sensible and responsible approach to supporting excellence and reform in our public schools at a time when concern about the federal deficit is a national preoccupation. SERA demands accountability from state and local education agencies. It is results-oriented. Continued federal funding is assured only when school and student improvement occurs.

At a time when the public concern and expectations for our public schools are high, the financial burden of fueling the educational reform movement has been left almost exclusively to state and local governments. The major source of revenue for

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public elementary and secondary schools today is the state. States are providing 49 percent of school revenues. Local governments are contributing 45 percent.

The states have clearly extended themselves to provide quality education, both in terms of per capita expenditures and as a percent of expenditures for all functions. An estimated 36 percent of all state and local expenditures is earmarked for education. Education is the single largest expenditure by state and local governments and it is usually the only one on which taxpayers vote directly.

FEDERAL EDUCATION SUPPORT MUST NOT BE DECREASED

Since the passage of the Northwest Ordinance in 1787, the federal government has provided crucial leadership and financial support to education as a critical national concern. It has done so in times of peace and in times of war; it has done so in times of economic hardship and economic wellbeing. It has not shirked its responsibility to an educated democracy. In recent years, however, that role has diminished significantly.

Currently, total spending for public elementary and secondary education from all sources is $125 billion per year. Of that, the direct federal share is just 6.2 percent—its lowest level of funding since the Sixties. Even that federal contribution is at risk as current tax reform proposals seek to eliminate the deductibility of state and local taxes.

The involvement of the federal government today is critical when one analyzes projections in education enrollments. The U.S. Census Bureau recently reported a nine percent increase in the number of preschool children in the country since 1981. The birthrate began to climb in 1977, and this year there are 54,000 more elementary school students in the nation's classrooms. This growth is expected to continue into the 1990s, according to the National Center for Education Statistics. NCES predicts that enrollment in kindergarten through grade eight will grow from the current 26.6 million to 30.5 million by 1993.

This result of the "baby boomlet" will have a tremendous impact on school districts that may find themselves shifting financial emphasis to incoming students before reform measures have been given a chance to take hold or succeed.

TEACHER SHORTAGE CRITICAL

At the same time, schools will be facing an additional crisis—the shortage of classroom teachers. The baby boom now in progress has created a need for an additional 250,000 teachers within the next five years alone. But the shortage problems are compounded by other factors. Still more teachers than that will be needed to fill vacancies created by the growing numbers of younger teachers leaving education for higher paying jobs in business and industry; retirement of a large number of experienced teachers; resignations by others moving into better employment opportunities; and, the fact that colleges and universities aren't training enough students to fill those increasing numbers of teaching vacancies. All of these factors together spell a total shortage of one million teachers within the next five years.

NEA believes the federal government should now assume its rightful role in the support of our nation's public schools by making its contribution through SERA. Even fully funded, SERA represents only a minuscule downpayment on what the national reform reports proposed for building a foundation of excellence in our schools.

The heart of the matter, however, is that we cannot afford not to make this federal effort.

SERA includes a very "American" concept in a truly national cause—it invites the participation of parents and all citizens. This is as it should be. For the battles in education will never be won by just a few. It will take all of us.

This is a recognition that administrators can administer and teachers can teach, but we need the help of parents to get children to school in a physical condition and frame of mind receptive to learning. A drugged mind or hungry body will yield only a malnourished mind and a society that missed its potential. By the same token, governmental and education decisionmaking bodies can mandate, but parents, teachers, business and industry leaders—the whole of the community—must bring their forces to bear on how best to meet our educational needs and solve our education problems.

Education is everybody's business.

Finally, I believe SERA makes the case for those who have been unserved and underserved. It reaffirms the federal commitment to education. The federal role commenced on the premise that all should have equal oportunity to education. The

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statistics I have shared with you today indicate that we have fallen short of meeting that goal.

EQUALITY AND EXCELLENCE INEXTRICABLY LINKED

Those statistics rebut those who seek to diminish the federal role in education at the expense of those who can least afford it. They also negate the arguments of those who understand equality merely as the opening of the doors without regard to how resources and assistance are distributed to benefit all.

As Ernest Boyer of the Carnegie Foundation so well states it: ". . . in the debate about public schools, equity must be seen not as a chapter of the past but as the unfinished agenda of the future."

The expectations for quality in education must never be divorced from the expectations for equality. We wholly agree with the National Commission on Excellence in Education:

We do not believe that a public commitment to excellence and education reform must be made at the expense of a strong public commitment to the equitable treatment of or diverse population. The twin goals of equity and high-quality schooling have profound and practical meaning for our economy and society, and we cannot permit one to yield to the other either in principle or in practice. To do so would deny young people their chance to learn and live according to their aspirations and abilities.

The achievement of quality schooling requires financial support from all levels of government—local, state and federal.

NEA is committed to quality education for all children in America, be they rich or poor, able-bodied or handicapped, gifted or slow to learn, English-speaking or unable to speak English, male or female, white or of color. SERA, we believe, reflects that principle.

NEA believes that SERA is this nation's opportunity to institutionalize a federal education excellence policy with local determination and equity at its core.

Mr. Chairman, the federal government must join the local and state governmental entities and the education community in efforts to ensure that the pursuit of excellence and the educational reform movement will not be a fleeting experience. We challenge this nation, this President, and this Congress to join with us in our goal of seeking to achieve lasting educational change—by ensuring that every child in this nation has the opportunity to partake of the best education possible and a fighting chance to do so with success—through passage of the SERA.

Thank you again for this opportunity to make the case for education.

Chairman HAWKINS. Thank you, Ms. Futrell.

The next witness is Ms. Millie Waterman, a PTA member from Ohio, and vice president for legislative activity of the National PTA.

Ms. Waterman, we welcome you.

Ms. WATERMAN. Thank you, Mr. Chairman. Good morning.

Mr. Chairman and members of the House subcommittee, I am Millie Waterman, vice president for legislative activity for the National PTA.

The National PTA is the Nation's largest child advocacy organization representing over 5.6 million volunteer members in 25,000 local school affiliated units.

I commend the chairman and this committee for their support of public education and their interest in the effects of the current educational excellence and reform movement that has captivated the attention of this Nation.

Besides providing for the opportunity to address the School Excellence and Reform Act, this hearing does provide the forum for debate on the role the Federal Government will play in assisting State and local education agencies to continue their pursuit of improved and quality education.

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The National PTA has concerns in several areas, Mr. Chairman, inequitable financing, dropouts, truancy, absenteeism, early childhood education, low achievers, and parental involvement.

In my very short time allowed, I would like my entire testimony in the record, and I will summarize for you, Mr. Chairman.

Chairman HAWKINS. Without objection, it is so ordered.

Ms. WATERMAN. Thank you.

The National PTA believes excellence has been the password of the day and quality is often confused with quantity.

Generally, excellence has come to mean more or less of something, such as increased graduation requirements, reduction or elimination of electives, more mathematics and science, more homework, more tests, more discipline, longer school days, longer school years.

But the challenge, Mr. Chairman, is considerably greater than that. Whatever else the present excellence movement means, it certainly should represent what must be the next step in our quest for equal educational opportunity, the assurance by all levels of government that all children receive an excellent education.

As the country marches to the cadence of the excellence movement, we must not permit significant segments of our student population to be left behind.

Over 30 years ago Robert Maynard Hutchins observed that "the best education for the best is the best education for all."

There may be some disagreement about what is best education for the best, but there can be no disagreement, Mr. Chairman, about the importance of assuring a quality education once children are admitted into our school buildings.

No one knows for sure whether this can be done on a mass scale, but it is a legitimate Federal role to protect children who are the most difficult to educate from falling between the quality education cracks.

Both the Congress and administration have been relatively silent about the Federal role related to excellence and educational reform, but they should no longer be reluctant to assume an active and strong Federal role in assuring equal educational opportunity to excellence for every student.

The National PTA believes the School Excellence and Reform Act is the vehicle to address that concern.

That the Federal Government does have a legitimate role to play in maintaining its commitment to equal access while advancing to the next step, quality education for all children, is without question.

Mr. Chairman, America is losing some of its children along this educational path.

There is growing evidence from a line of recent studies that suggest many of our children, especially the most vulnerable in terms of wealth, residence, color, language and culture, do not have access to high levels of educational excellence.

It is not that these concerns are necessarily new. It is that the changing demographics of our Nation means that there is an increasing number of children-at-risk today, comprising 1 in 3 in some States, 1 in 2 in others.

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These are children who are most difficult to educate, who require more time and attention, who require more intense instruction and smaller class sizes, who require the same high levels of education and who will be entering the job market in greater numbers beginning in the year 1990 without marketable skills or training, unless efforts are begun now to provide appropriate intervention and quality instruction.

Mr. Chairman and members of this committee, permit me to review the areas of the National PTA's concerns.

First, inequitable financing.

Funding varies widely among our States. In 1982 New York spent $2,769 per pupil, while Mississippi spent $1,685. Some school districts spend two or three times as much as do our neighboring districts.

In any case, the commitment to achieve greater school financing equity must continue at every level of government.

Two, the demographics of poverty and race.

In 1985 the income level of a family is still the major factor of the quality and quantity of the education that a child receives.

In a study released last month by the Congressional Research Service and the Congressional Budget Office, results showed that the number of children living in poverty in the United States is at the highest level in 20 years.

Three, the increasing number of dropouts.

The problem of school dropouts has become acute with estimates that 1 million children drop out of school every year and that 25 percent of our Nation's youth never graduate from high school.

The cost to society of school dropouts includes reduced economic output, the likelihood of increased demand for unemployment benefits, and a possible increase in crime.

Four, testing and higher academic standards.

It is likely that raising academic standards or the heavy reliance on standardized testing as a measure of competence may have the effect of increasing the dropout rate or pushing students out of school unless accompanied by adequate funding for remediation or tutorial services.

The increased emphasis on statewide testing is dividing our pupils into winners and losers, but few States have determined how they will extend excellence to those who lose.

Five, early childhood programs.

Preschool education programs have been a proven strategy for creating a more equitable system, but they are generally not available to those who need them the most.

We also know that in some communities a dual system of early childhood education is developing between those families that can afford the best programs and those who are not able to afford the best early childhood education services or any at all.

The National Commission on Excellence in Education in its "Nation at Risk" report maintained that—

> The Federal government, in cooperation with States and localities, should help meet the needs of key groups such as the gifted and talented, the socioeconomically disadvantaged, minority students, and the handicapped. In combination, these groups include both national resources and the Nation's youth who are most at risk.

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Mr. Chairman, the National PTA agrees with this assessment of the national commission and believes that the School Excellence and Reform Act is the vehicle for the Federal Government to meet its simultaneous commitment to equity and excellence, goals that for our growing number of children at risk are attainable and critical.

It is the concern of the National PTA to work toward the best and the most effective legislation to achieve these goals, and with that goal in mind we offer the following comments and hope this committee will address it as it marks up H.R. 2840.

First, the National PTA believes that the primary focus of SERA should be geared toward assisting States to provide programs for the underserved and hard to educate children.

Second, SERA should allow adequate flexibility for State and local decisionmaking, but should contain specific Federal objectives with the goal of providing program improvement for those children and school districts making special efforts to reduce the number of dropouts, raising the achievement levels of the hard to educate, and increasing the learning opportunities through early childhood programs and after school programs for children of parents who might not otherwise afford these services.

Third, that SERA should provide a systematic collection of data that ascertains the effects of recent school reform movement.

Information that does take into account course enrollment, dropout and attendance rates, class size, teacher competency, remedial and intervention efforts, individual instructional opportunities, and parental involvement.

Every State is doing something different. A more sophisticated measure of accountability is necessary to determine whether the national interest in education is being met.

The SAT scores cannot be used as the Nation's sole academic report card.

Fourth, the direction of SERA should be to fund programs with proven success records based on research data.

Fifth and last, the National PTA believes that the statute should require that the LEA's applying for SERA funds ensure that the involvement of parents in the goal setting, planning, development, and evaluation of the SERA funded programs, that the statute should include the purposes of SERA, an explanation of parent rights under SERA, the opportunities for parents to set up their own mechanism for maintaining communication among parents and developing input, and that the mechanisms the LEA's have and policies established for ensuring adequate ongoing involvement of parents in the decisionmaking.

The Federal Head Start and Public Law 94-142 parental involvement provisions stand out as a beacon of congressional commitment to the rights of parents to be involved responsibly in their children's education and for the support of public education.

The committee should add SERA to that distinguished listing.

Our experience, Mr. Chairman, in the PTA over the years has demonstrated that in many districts genuine parental involvement in program design and implementation is very necessary.

The National PTA has supported and encouraged excellence in education since 1897. We believe that there are three key elements

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to supporting and improving education: competent, caring educators; adequate funding; and parental-community involvement.

The National PTA has an excellent project going and a publication called "Looking in on Your Schools," to strengthen and improve public education.

We are encouraging that workbook to be used across the Nation.

We believe that parent involvement is necessary for effective schools.

The National PTA believes that SERA is the next step along the continuum of successful Federal education programs. SERA can build on both the progress toward educational excellence resulting from the State and local programs and the progress toward educational equity resulting from Federal programs to meet this challenge.

The National PTA continues to believe, Mr. Chairman, that public education is the cornerstone of democracy and the key to the future of America's children.

We appreciate very much the opportunity to testify. Thank you.

[Prepared statement of Millie Waterman follows:]

PREPARED STATEMENT OF MILLIE WATERMAN, VICE PRESIDENT FOR LEGISLATIVE ACTIVITY, NATIONAL PTA

Mr. Chairman and members of the House Subcommittee on Elementary, Secondary and Vocational Education. I am Millie Waterman, Vice President for Legislative Activity for the National PTA. The National PTA is the nation's largest child advocacy organization representing over 5.6 million volunteer members in over 25,000 local school affiliated units. I commend the Chairman and this Committee for their support of public education and their interest in the effects of the current educational excellence and reform movement that has captivated the attention of many Americans. Besides providing for the opportunity to address the School Excellence and Reform Act (H.R. 2840), this hearing provides the forum for debate on the role the federal government will play in assisting state and local education agencies to continue their pursuit of improved and quality education.

Within the past several years, more than 40 states had enacted or had pending reform laws that will have an impact on education. Certainly, the burden of the new wave of reform has fallen primarily on the shoulders of the state and local governments and education agencies. The National PTA believes this is as it should be. In fact we believe that this action was long overdue in some states and school districts. Primary legal responsibility for schooling rests with the states; and the central providers of instructional services are the local school districts. Since the inception of our organization, National PTA position statements and resolutions have been replete with resolves that adhere to "maximum local and state control" over such matters as instructional programs, selection of materials, funding and the quality of education.

In many of our local PTA units across the country, parents have not always agreed with the researchers and politicians on the definition of excellence and the form it should take. Indeed, as educators have been attempting to narrow the focus and scope of educational services, parents have been demanding more services such as latchkey programs, day care centers and drug education. But the spate of national and state reports since the National Commission on Excellence Report in 1983 have cultivated a renewed faith in the importance of education for the economic, social and political welfare of our country. For the first time since Sputnik, education has the attention of a broad constituency and has moved to the top of almost every states' political agenda. Schools are no longer the objects of derision as they had been in the 70's, but are being seen as the institution essential for the United States to compete successfully in the world market and to defend its shores.

Indeed, in many school districts, parents have been more active in the education of their children. Parents are demanding a greater voice in curriculum, selection of materials, governance and funding. Parents are linking education with successful transition from school to employment, with getting their children into colleges and universities, with quality of life of their children, and with advancement in the job market for their children. A September 1985 Gallup Poll demonstrated, as have pre-

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vious polls, that those with children in public schools who have first-hand knowledge about these schools rate them considerably higher than those who do not have children in school. Schools are once again seen as a positive, valuable and important force in American society. And all of this is encouraging.

However, there is a new challenge. We would hope, that in the rush to shore up the foundation of public education, we will not abandon commitment to equal educational opportunity for all children; that in our rush to assure that "our" child gets the best education and "our" child get the best job, we will not forget about the children in the neighboring school district or state that might not have access to the same property or income tax base or the same good teachers or the same low unemployment rate or the same parental involvement. If it is true, as the National Commission on Excellence Report concludes "that our nation's greatest power is its brain power," it is essential that all children be successful in school and have equal access to excellence.

Excellence has become somewhat of a shibboleth and quantity is often confused with quality. Generally, excellence has come to mean "more" or "less" of something such as increased graduation requirements, reduction or elimination of electives (which are often such subjects as art, humanities, music, health and physical education), more mathematics and science, more homework, more tests, more discipline, longer school days and years. But the challenge is considerably greater than that. Whatever else the present excellence movement means, it certainly should represent what must be the next step in our quest for equal educational opportunity—the assurance by all levels of government that all children receive an excellent education. As the country marches to the cadence of the excellence movement, we must not permit significant segments of our student population to be left behind. Over 30 years ago, Robert Maynard Hutchins observed that "the best education for the best is the best education for all." Chester Finn, Jr., Assistant Secretary of Evaluation and Research for the U.S. Department of Education made a similar observation recently when he wrote that "efforts to improve educational quality unabashedly assume that everyone can and should learn the same things, at least up to a point, and that that point should be the same for everyone in a school, a community or an entire state." There may be disagreement about what is the best education for the best, but there can be no disagreement about the importance of assuring a quality education once children are admitted into our school buildings.

No one knows for sure whether this can be done on a mass scale, but it is a legitimate federal role to protect children who are the most difficult to educate from falling between the quality education cracks. Both the Congress and administration have been relatively silent about the Federal role related to excellence and educational reform, but they should no longer be reluctant to assume an active and strong federal role in assuring equal educational opportunity to excellence for every student. The National PTA believes the School Excellence and Reform Act is the vehicle to address that concern.

Ann Kahn, president of the National PTA spoke for all the PTA members when she addressed the 1985 National PTA delegate assembly, "Will PTA be willing to trade off access to opportunity for all in order to achieve excellence in education for a limited few? We will not. We know that opportunity and high quality education for all children are necessary and attainable." While the National PTA believes that high educational standards must be maintained, we also believe that "rigor" should not be the rationale to kick hard to educate children out of school; that higher academic standards be construed to mean education for just the "best;" that of minimal competency tests be misused to fail students without providing appropriate remediation; that children who do not have parents to speak with a loud voice for them be denied the same education as those children who do." That the federal government has a legitimate role to play in maintaining its commitment to equal access while advancing to the next step: quality education for all children, is without question.

Mr. Chairman, America is losing some of its children along the educational path. American Enterprise Institute researcher Denis Doyle and Terry Hartle remind us that "the goal of education reform today is excellence, not necessarily fairness and access. There is growing evidence from a line of recent studies that suggest many of our children, especially the most vulnerable in terms of wealth, residence, color, language, and culture, do not have access to high levels of educational excellence. Its not that these concerns are necessarily new. Its that the changing demographics of our nation means that there is an increasing number of "children at risk" comprising one in three, and in some states, one in two children. These are children who are most difficult to educate, who require more time and attention, who require more intense instruction and smaller class size, who require more intense instruc-

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tion and smaller class size, who require the same high levels of education, and who will be entering the job market in greater numbers beginning in about the year 1990 without marketable skills or training—unless efforts are begun now to provide appropriate intervention and quality instruction. It is not necessary to review the reports although we have included a bibliography of the more cogent studies that have come to our attention. But Mr. Chairman and members of this Committee, permit me to review the areas of the National PTA concerns:

I. INEQUITABLE FINANCING

Funding varies widely among states. In 1982, New York spent $2,769 per pupil while Mississippi spent $1,685. Some school districts spend two or three times as much as do neighboring districts. The equalizing effect of federal funds once accounted for 8% of local education cost on average, but now covers only 5%. In poor and minority areas; this can mean a loss of up to 20%. In any case, the commitment to achieve greater school finance equity must continue at every level of government.

II. THE DEMOGRAPHICS OF POVERTY AND RACE

In 1985, the income level of a family is still the major determinant of the equality and quantity of the education that a child receives. In a study released last month by the Congressional Research Service and the Congressional Budget Office, results showed that the number of children living in poverty in the United States is at the highest level in 20 years. The study reveals that while child poverty has been a persistent problem over the past quarter century, the gains that were made in past years in reducing poverty rates for children have been reversed. In another study by the Children's Defense Fund using Census Bureau statistics, data shows that the poverty rate for all children under eighteen was 21 percent, for Hispanic children 38.7 percent, for Black children 46.2 percent out of the 33.7 million poor people last year, 12.9 million or 35 percent were children. We know that poor children, especially those that are Black and Hispanic, score lower on reading tests and are more likely to be behind in school. The National Coalition for Students documents that the average child from a bottom quarter income family receives four fewer years of education than the child from a top quarter income family. Less than half of these children have received Chapter I services in the 1982-1983 school year. In addition, studies have indicated that large urban districts and those serving "high cost students" have lost funding under ECIA Chapter 2 since 1981.

II. THE INCREASING NUMBER OF DROPOUTS

The problem of school dropouts has become acute with estimates that one million children drop out of school every year and that 25 percent of our nation's youth never graduate from high school. The cost to society of school dropouts includes reduced economic output, the likelihood of increased demand for unemployment benefits, and the possible increase in crime. A study by the Federal Government in 1982 showed a dropout rate of 18% for Hispanics, 17% for Blacks and 12.2 for whites. Many urban school districts report dropout rates at more than 40% of those students entering their freshman year.

III. TESTING AND HIGHER ACADEMIC STANDARDS

It is likely that raising academic standards or the heavy reliance on standardized testing as a measure of competence may have the effect of increasing the dropout rate or "pushing" students out of school unless accompanied by adequate funding for remediation or tutorial services. Despite the tone of some of the more recent reforms, it is not clear how to raise standards for uniformity good effect for all children. If academic standards are raised and students are not provided substantial additional help to attain them, it seems plausible to expect that socially and academically disadvantaged students will be more likely to experience frustration and failure, resulting in notable increases in absenteeism, truancy, school-related behaviorial problems and dropping out. The increased emphasis on statewide testing is dividing pupils into winners and losers, but few states have determined how they will extend excellence to those who "lose".

IV. EARLY CHILDHOOD PROGRAMS

Preschool education programs are a proven strategy for creating a more equitable system, but they are generally not available to those who need them the most. It is known that early intervention (at particular times during a child's life) will pay off

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in more students graduating from high school, better employability skills, lower crime rates, lower teenage pregnancy rates, and higher academic success rates. We also know that in some communities, a dual system of early childhood education is developing between those families that can afford the best programs and those that are not able to afford the best early childhood education services or any at all. Headstart has an excellent track record, but underfunding means that only a small percentage of children who are eligible for Headstart receive the services.

The National Commission for Excellence in Education in its "Nation at Risk" report maintained that "the Federal Government, in cooperation with States and localities, should help meet the needs of key groups such as the gifted and talented, the socio economically disadvantaged, minority students, and the handicapped. In combination, these groups include both national resources and the Nation's youth who are most at risk." Mr. Chairman, the National PTA agrees with this assessment of the National Commission and believes that the School Excellence and Reform Act is the vehicle for the federal government to meet its simultaneous commitment to equity and excellence—goals that for our growing numbers of children at risk are attainable and critical. It is the concern of the National PTA to work towards the best and most effective legislation to achieve those goals. With that goal in mind, we offer the following comments that we hope this Committee will address as it marks-up H.R. 2840. These comments are based on National PTA position statements, resolutions and/or legislative directives and focus on issues of targetting funds, parental involvement, program accountability, local decision-making and program flexibility and federal goals and interests.

1. The National PTA believes that the primary focus of SERA should be geared toward assisting states to provide programs for the underserved and hard to educate children. The funds should supplement, not supplant local and state funding with emphasis on equalizing resources and providing general education improvement for hard to educate and low achieving children. Such an agenda should include creating specific achievement goals for these students; differentiation instruction strategies according to the learning needs of individual students, and creating a system of accountability as that individual students' progress can be measured against general goals of the school.

2. SERA should allow adequate flexibility for state and local decision-making, but should contain specific federal objectives with the goal of providing program improvement for those children and school districts making special efforts to reduce the number of drop-outs, raising the achievement levels of the hard to educate, and increasing the learning opportunities through early childhood education and after school care programs for children of parents who might not otherwise afford these services. Lastly, the funding must match the ambitious goals of the Bill. $4.95 per child is not sufficient to provide even the slightest incentive to state and local schools districts for school improvement. While the National PTA understands the need to reduce the federal budget deficit, we are also quick to point out that services to children have not caused the current money shortages. In the long run, education, health services, and early childhood programs are investments that preclude expensive remediation and treatment.

3. SERA should provide for a systematic collection of data that ascertains the effects of the recent school reform movement. We are not just talking about achievement test scores, but more extensive data which states and local school districts don't routinely collect. Information that takes into account course enrollment, drop-out and attendance rates, class size, teacher competency, remedial and intervention efforts, individualized instructional opportunities, and parental involvement. Since every state is doing something different, a more sophisticated measure of accountability is necessary to determine whether the national interest in education is being met. S.A.T. scores cannot be used as the nation's sole academic score card.

4. The direction of SERA should be to fund programs with proven success records based on research, rather than just empirical evidence or political whim. Many state reforms have been based more on political expediency than solid research findings. In many cases, school districts have toughened requirements and added to the quantity side of the equation without providing corresponding help for students on the quality side. In addition, equity must extend to the teaching and acquisition of more complex and higher order thinking skills. It is important to target improvement programs beyond the basic skills. The answer is not to lower standards or expectations but to provide more intense instruction. This costs money and the federal government can provide crucial assistance.

5. Congress has repeatedly emphasized the importance of parental involvement through such effective programs as Chapter 1 P.L. 94-142 (now P.L. 98-199), and Headstart. Systematic involvement of parents is central to ensuring that program

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decisions are fully responsive to local needs within the parameters of the federal purpose. We believe that the provision for "consultation of parents" contained in SERA is unequivocally inadequate. The most recent SRI report related to "The National Study of Local Operations Under Chapter Two," examined the effectiveness of the "parental consultation" provision in Chapter Two and concluded that the public has not been heavily involved in Chapter Two decisionmaking. Very few districts reported active involvement on the part of parents/community members according to SRI.

We presume that the SERA consultation provision will not be any more effective and therefore requires strengthening. The National PTA believes that the statute should require that the LEA applying for SERA funds ensure the "involvement of parents in the goal-setting, planning, development and evaluation of SERA funded programs." The statute should spell out that parents should be informed about:

(a) Purposes of SERA;

(b) An explanation of parent rights under SERA related to local school district policy;

(c) Opportunities for parents to set up their own mechanism for maintaining communication among parents and for developing parental input; and

(d) LEAS' mechanisms and policies established for ensuring adequate ongoing involvement of parents in school decisions about SERA.

The Federal Headstart and 94-142 parental involvement provisions stand out as beacons of Congressional commitment to the rights of parents to be involved responsibly in their children's education and for the support of public education. This committee should add SERA to that distinguished listing of programs. Our experience over the years has demonstrated that for many districts, genuine parental involvement in program design and implementation does not occur without strong mandates.

In his recent study "All One System," Dr. Harold Hodgkinson reaches this conclusion: "Economic and social disaster may be in store for this country if schools and colleges fail to educate hard to teach students. Their numbers are now so large that if they do not succeed, all of us will have diminished futures. For the next fifteen years at least, education will have to work harder with these limited numbers of young people. Young people simply can't be a disposable commodity. The task is not to lower standards, but to increase efforts."

The National PTA believes that SERA is the next step along a continuum of successful federal education programs. The question for this committee should be: How can we maintain these successful programs while reaching out to an even broader student population guaranteeing both equal access to the school building and equal excellence after the students get there. SERA can build on both the progress toward educational excellence resulting from state and local programs and the progress toward educational equity resulting from federal programs to meet this challenge. The National PTA continues to believe public education is the cornerstone of democracy and the key to the future of America's children. We appreciate this opportunity to testify.

RECENT REPORTS ON THE IMPACT OF THE SCHOOL EXCELLENCE MOVEMENT—A PARTIAL LISTING

"Poverty in America: Trends and New Patterns," from Population Reference Bureau, Inc.; Washington, D.C. Published by the Joint Center for Political Studies, 1985.

"Raising Standards and Retaining Students: The Impact of the Reform Recommendations on Potential Dropouts," by Edward L. McDill, Gary Natriello, and Aaron M. Pallas. Published by the Center for Social Organization of Schools, the Johns Hopkins University. Report No. 358, 1985.

"Investing in Our Children: Business and the Public Schools," A Statement by the Research and Policy Committee of the Committee for Economic Development. September, 1985.

"Make Something Happen," published by the Hispanic Policy Development Project and underwritten by the Atlantic Richfield Foundation, CBS, Inc., Time, Inc., and the Carnegie Corporation. 1985.

"National Study of Local Operations Under Chapter 2," preliminary results from a Mail Survey conducted by SRI International with funding by the U.S. Department of Education, May 31, 1985.

"All One System: Demographics of Education, Kindergarten through Graduate School," by Harold L. Hodgkinson, Institute for Educational Leadership, 1985.

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"Black and White Children in America: Key Facts," compiled and published by the Children's Defense Fund, 1985.

"Excellence in Education: The States Take Charge," by Denis P. Doyle and Terry W. Hartke, American Enterprise Institute, 1985.

"Anything Goes: A Summary Report on Chapter 2," by Anne Henderson, National Committee for Citizens in Education, 1985.

"The Education of Hispanics: Selected Statistics," by the National Council of LaRoya, 1985.

"The Educationally Disadvantaged: A National Crisis," by Henry Levin, from Public/Private Ventures, Philadelphia, Pennsylvania.

Chairman HAWKINS. Thank you, Ms. Waterman.

May I commend all three of the witnesses, and may I also recognize at the witness table Ms. Linda Tarr-Whelan of the National Education Association, who may certainly be welcome to join in any response to questions that may be propounded by the members of the committee.

It would seem to me that all of the witnesses have ably dealt with the subject. I would doubt seriously if anyone would have great differences of opinion with respect to the testimony. And yet the issue is always raised that we are facing a deficit and in some way, by implication, that what is being advocated by those of you in terms of reform and enhancement of quality in education somehow presents a liability on the economy and that therefore this is not the time to engage in such proposals.

We have been hearing that since 1980. The point is never raised with respect to the actual causes of the deficit but somehow education, along with others, even though it has been cut by over 20 percent since 1980, is not considered a good investment.

With respect to the role of education in reducing the deficit or adding to it, as some might say, I would like to have some comment from the witnesses as to your explanation of why you want to break the bank and rob the Nation of all these things.

Ms. Futrell, on page 8, you spoke about what we are losing in terms of individuals falling into poverty, how children are being subject to drugs and alcohol, and the number of teenagers who cannot read and so forth.

It reminded me of this question because it seems to me that the implication that we cannot afford the education but that we can afford these results seemed to be contradictory.

So, I would like to have comment from any of you who wish to comment on that particular issue.

Mr. HOLLAND. Let me, since I was the first to testify, respond.

Chairman HAWKINS. Yes, Mr. Holland.

Mr. HOLLAND. I must note that I speak now as an individual mayor and not necessarily for the United States Conference of Mayors.

The conference has had a policy of a freeze on both defense spending and social programs spending.

Now, we testify justifiably on this bill because we see it as taking effect in the next Federal fiscal year.

My own attitude is pretty much that as expressed by Senator Hart. I have felt all along that we should not have had tax cuts and I believe that there was room for savings in the defense budget, and that we do not need necessarily to invest additionally as we have in the system, feeling that we can still assure our secu-

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rity. And we recognize, all of us, that if we lose our freedom we lose all. But it is important also to stay strong internally.

Ms. WATERMAN. Mr. Chairman, if I might add to the question.

Chairman HAWKINS. Certainly.

Ms. WATERMAN. The National PTA certainly is concerned about balancing the budget. However, we feel that to balance it on the backs of youngsters is not in the best interest of this country, that education should be one of the highest priorities and that the small amount of Federal dollars going to education should not be one of those things that you can have as a catch-all and say we could save money here.

I think that Senator Hart put it very eloquently when he talked about pay now or pay later.

Education is the foundation of this country, and an educated citizenry is what we have been all about. And all of us in this room, myself included, have gained from that education process, and we would hope that the opportunity for all children in this country would be the same as this country continues for the future does lie with those children.

Chairman HAWKINS. Ms. Futrell.

Ms. FUTRELL. Yes; we are very concerned about the deficit and we have testified each year that we believe that the Government must address that deficit.

We have also indicated a willingness to look at the way education is funded to try to come up with a better way of funding education so that it is more evenly distributed.

But as we look at the SERA bill, we believe that it is an investment in the future, and I would say it is an investment towards decreasing that deficit that we are facing right now and that probably will be with us for a long time.

We believe very sincerely that unless we invest in the children today, then we will pay the penalty 10, 15, 20 years, and pay for a very long time.

For every dollar we invest in education, the Nation reaps $6 in return. That is not simply a study or a figure cited by NEA. Those are figures which were brought forth as a result of a study conducted by the Congress, and other groups have conducted similar studies.

We also look at the fact that the Committee on Economic Development, which represents many representatives of the Fortune 500, have also come out saying that we must invest more in education and we must do more to upgrade the quality of education, especially for those young people who are least well served right now by the schools, and that is we continue to ignore the problems we are facing in education and if we continue to ignore many of the children or not serve them well, then we will pay a very heavy penalty during the course of the next decade and into the future.

We are looking at the fact that in the future one-third of the young people or one-third of the people in this country will be minority. It is projected that it will move to that point. We are looking at a fact that more and more of our young people are living in poverty and all of these young people will be the future workers, the future leaders of this country.

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And it is extremely important that we make sure that every child, regardless of background, that every child receives the highest quality education.

So, I think that by investing in SERA we are really addressing the deficit issue. We are addressing the issue from a futuristic perspective of trying to make sure that we have workers and leaders who will be in a better position to deal with our government, our economy for future generations.

Chairman HAWKINS. Ms. Futrell, these one-third people or one-third of the children who will be in poverty, is it not true that they will not be the viable taxpayers in the economy, and on the other side, that the individuals that will become those who achieve higher levels of education will be primarily those from whom we draw the principal taxpayers—that is, their earnings will be much higher than the other level, and consequently we will get the revenues from those whose education has qualified them to provide the larger earnings from which we tax the productive citizens, as opposed to those deprived of an education who will, in effect, be those upon whom we will spend the greater tax expenditures because they are not productive citizens.

In other words, is there a correlation between education and the revenues from which we draw our principal source of income?

Ms. FUTRELL. I think that there is a direct correlation between the educational investment that we make in each child and the future productivity of that individual. And I am not willing to write off any child. I don't care about the background or the race or the sex. I am unwilling to write them off.

And I say that, Mr. Chairperson, because I probably was one of those children. If we had looked back 40-some years ago, many individuals would have said, let's write Mary Hatwood off because her family is very poor, it is a minority family, and, you know, she is just not going to be a productive citizen.

But as a result of education, as a result of the willingness of the people in my community, my State and my country to invest in Mary Hatwood, I have been able to be a productive citizen.

So, we don't know what the potential will be 25 or 30 years from now, and if we don't invest in those children then we are, in essence, writing them off.

I would say that the best investment is to make the investment in the children, and they will be productive citizens, they will contribute to our tax base, they will contribute in every possible way.

But if we don't give them the education that they need to develop to their fullest potential, then we will be the losers as a nation.

I do not wish to write them off. I think that they are a good investment.

Chairman HAWKINS. Thank you.

Mr. Fawell.

Mr. FAWELL. Well, I do want to thank all of you for your testimony because what you say in regard to lack of quality education simply can't be rebutted.

I am sorry to have introduced the sour note of our fiscal crisis and the fact that a number of us here are voting a spending freeze and not voting for anything that would increase that which was authorized in 1985. A dilemma exists which I know frustrates you

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greatly and certainly frustrates a lot of us here in the Congress and myself as a first-termer.

Let me ask this question, though. The report about "Nation at Risk" certainly has caught the attention of the education community throughout the Nation. And I know in Illinois we have had a substantial amount of new appropriations which in regard to public education they certainly have rejoiced over and it is a fine step. I realize that may not be true elsewhere.

But by and large, have you found that State legislatures, being aware that cumulatively they have more money than the Federal Government does, and that they aren't perhaps going to have the Federal backing that they would like to have in terms of dollars, are positively responding, as I think Illinois has, so as to take us somewhat down that road to which you have made reference?

Ms. FUTRELL. You are asking if they have responded?

Mr. FAWELL. Yes.

Ms. FUTRELL. I would have to say yes. I think that the States should be commended for the very aggressive leadership role they have taken in this area, not only to come forth with reform reports and recommendations to address the problems they are facing, but also to try to come forth with the funding.

But we also recognize that the States and the localities cannot do it alone and they must receive assistance from the Federal Government.

And as we look at some of the States, you know, Mississippi comes to mind. Mississippi has probably done something that it has never done before. It not only passed the reform package but it also passed funding to support that package.

But the students in Mississippi and the schools in Mississippi are still at the bottom. And so, we have to help the children who are at the bottom, because those children will compete with children in Illinois and California and New York and Virginia, everywhere. And people are not going to look back and say to them, well, your State didn't do enough. They are going to look at, what is your contribution to our society.

And so, I think that the Federal Government does have a responsibility to make sure that each child has an equal chance to get a good education, to get a quality education.

And so, the States have done a good job, the localities have done a good job, but the Federal Government I think must do a better job.

Mr. FAWELL. Well, I would agree with you, the Federal Government certainly has that responsibility to attempt to equalize.

It is good to know, though, that perhaps the States have caught the message that has come from Washington, perhaps reluctantly, that you are simply going to have to meet this challenge a bit more than you have in the past and recognize what your own problems are.

So, I think that is a positive effect of a nonmonetary nature, at least, if we are not going to stand up and recognize that revenues aren't sufficient to meet the expenditures. At least I hope that that is a positive assertion.

I must confess, I cannot hold out much hope that this legislation is going to see the light of day.

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Ms. FUTRELL. Well, I would certainly like the opportunity to try to change your mind.

Mr. FAWELL. I have been here 8 months, so my prognosis is not to be taken——

Ms. FUTRELL. I just wanted to comment that the States were moving in this direction even before the "Nation at Risk" report was released, and had begun to recognize—I would say back in the mid-1970's—the need to upgrade the quality of education, to make a higher investment in education.

I would simply say that the States are doing their part, the LEA's are trying to do their part, the Federal Government must also help.

Mr. HOLLAND. Mr. Chairman, may I help to try to change Mr. Fawell's mind?

Chairman HAWKINS. Sure.

Mr. HOLLAND. By noting that every day there comes into the mayor's office young people and older people looking for work. The unemployment rate in our city among minority youth is probably as high as 35 or 40 percent. And when I ask them what particular kind of work they are looking for, they will say, well, I will take anything. And that tells me immediately that they are not really qualified for many things. And they are dropouts, and they are the disadvantaged, and in an increasingly technical society.

And I use as an example our city hall. In the old building we have an elevator which requires an operator. In the new building the elevator is automatic. And I look out the city hall window at construction work that is going on, and where there used to be ditch diggers there are machines digging the ditches.

And so, it is indeed an investment, this kind of legislation, in making it possible for more people to become, as you indicated, taxpayers rather than the burdens they are, unwillingly, on our society.

Ms. WATERMAN. Mr. Chairman, may I also respond to Mr. Fawell?

Chairman HAWKINS. Yes.

Ms. WATERMAN. I want to reinforce what my panel members have also said. We are talking today in this country of a $900 billion budget. This bill is $2 billion.

I would remind the panel that also—we talked about Japan earlier in your statement, Mr. Hawkins—what Japan spends on education of its young. It is a lot more than America does.

And when we talk about those kind of things I think we need to realize that education does cost money, but it is the future of this country.

And the States have certainly done what they can do in many instances. Education is a State responsibility and a local responsibility, with help, because the Federal Government does have a role in education, to do what States cannot do for themselves and to pick up and encourage and support that.

I think that SERA is a step in the right direction in doing additional work on dropouts, absenteeism and the children at risk. I think it is a great investment and I think we need to put a priority on education and we need to understand that the amount that we

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are asking for is a small amount but it certainly will be a great deal and mean a great deal to the children that are at risk.

Chairman HAWKINS. Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman.

The deficit seems to hover over all our considerations when we try to improve education. The deficit has not really inhibited the buildup of the defense establishment at all. That has almost doubled the amount there.

Cap Weinberger got all his extra dollars for defense not from increased taxes. As a matter of fact, we cut taxes, against my vote, in 1981. He didn't get those increases for defense from increased taxes, but from filching it from education programs, from school lunch programs, from the WIC Program. That is where he got the dollars. The school children of this country and the pregnant women of this country and the poor people of this country are not really the causes of the deficits, and yet we make them pay the price because we hover deficits over all the considerations when it comes to these programs, and ignore them when it comes to the defense buildup.

Now, if we do need to build up our defense, then we should have the courage to raise the revenue to pay for that, rather than stealing from these other programs. That is what we have done.

But never do I hear the Armed Services Committee say, hey, we have got to be very, very careful here on B-1 bombers, very, very careful on MX missiles, because of the deficit.

But they say, you be careful on SERA, you be careful on WIC, you be careful on school lunch, and I am really tired of that. It is disgusting.

We have our priorities wrong, and if we do need a buildup of defense—I am not convinced we do, but if we do need one, let's have the courage that Harry Truman had. He raised the taxes in the Korean war to pay for that, rather than stealing from these other programs. That is exactly what we are doing now. We should be ashamed of it.

The greatest problem, the greatest cause for our present deficit situation is the tax cut of 1981. Those who wanted to engineer these changes in this country, that was their greatest victory more important than the budget cuts of 1981. The tax cut, from their point of view, was their greatest victory because we are left now to have to try to fund needed programs and start new programs without the dollars to pay for them.

But the deficit is waved before us, but not before some of the other committees of Congress.

OK, I just wanted to stir you up a bit, and you are great. Never be ashamed to come asking Congress for these programs, and that is really how we are going to get it. Don't ever be reticent about that, because we are right. This is a great investment and we aren't doing enough.

I mentioned before that education is a very, very important Federal concern and that concern has diminished and diminished and diminished in the last few years while other concerns have increased, increased, and increased at our expense.

I was going to ask a question but I think I have burned myself out.

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Thanks, Mr. Chairman.

Chairman HAWKINS. Thank you.

Mr. McKernan.

Mr. MCKERNAN. Thank you, Mr. Chairman. I sort of hate to follow those remarks. But in spite of what Mr. Kildee just said, I think there is a general consensus here in Congress that we have some budget problems. As someone who regrets the fact that ADEA didn't pass last time, I don't think this bill is going to pass either because of budget considerations. With that assumption, I guess the real question is, if you had to have a fallback position, are there any ways that we can set some priorities?

You just mentioned the Committee on Economic Development's recent study which indicated what many of us have thought for a long time, that a lot of the early childhood programs are exceptionally good investments. They are programs that save us a lot of money in the future and that really give a good beginning to kids who might not otherwise have that opportunity.

Are there any ways that we can prioritize? Are there any programs in this legislation that you think are more important than others? Is there some way that we can cut down on the cost in order to fund the high priority programs that maybe the States aren't going to be able to pick up?

Ms. FUTRELL. Well, I have to be very honest and say that we do not have a fallback position. We have come in the past with individual packages and we have been told you should have an umbrella approach, put them all in one package. And now we have come with the umbrella or the group approach and we are told maybe you should go back to the individual approach.

We do not have a fallback. We have over 300 reports, local, State, Federal, private, public, individual, group, which have pointed out the crisis we are facing in education.

I don't think we need another report. I think that we need to begin to address the problems, and this is the way we think we ought to do that.

I think that we have to face the reality that we not only have a crisis with the deficit but we have a crisis in education, and what happens in education is really going to determine what is going to happen in this country after you and I are gone.

I know you are much younger than I am, but after we are gone.

Mr. MCKERNAN. No, no, not that much.

Ms. FUTRELL. But I guess my fallback would be, if we need to go out and to say we made a mistake by so drastically reducing taxes in this country, I think we ought to do that. Because every report we have seen, and we have analyzed polls and studies for 30 years, the studies show that the American people, No. 1, believe in education, No. 2, they are willing to support it if they understand what the needs are and if they believe that the money will be used to address those needs.

And so, we are willing to go to the people with you, with anyone, and say to them, this is a crisis, it has been underscored 300 times, we don't need to underscore it anymore, what do we need to do to get the resources to address the problem.

That is our fallback position.

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Ms. WATERMAN. Mr. Chairman, Mr. McKernan, everything that is in SERA is important. The dropouts have definitely got to be addressed.

We are losing children and we need to do something about that. If the schools are going to lose them, then they are going to be in the community and the mayor is going to have his problems within that community on what to do with those uneducated children.

There isn't anything in this bill that isn't important.

If I had to—and I don't like to come up with one, two, three, four—but dropouts are very important to address, along with early childhood education, and then you go right down the list, and they are all important.

So, it is a tough question you ask, Congressman, because I don't like to say this is better than this, or this is more needed. The whole bill is an important bill.

It does have certainly an emphasis on what the Federal Government can do for the States and localities as we together work for excellence in education, and I think that is where we need to come from.

And everything that we have talked about—the National PTA by the way, is going to be doing an urban project. We are going to attempt to work more with the urban cities and on their dropout and absenteeism problems.

We are and have encouraged for the years that we have been created parental involvement in all areas. And as Mr. Kildee was addressing the child nutrition, I sat here, too, hoping that H.R. 7 will be funded properly. So, we are in all areas, the PTA, working in partnership with our educators and with our local school district officials, and the State, and certainly hoping to be a partner with you in educating our young.

I think the SERA bill is a very important bill.

Chairman HAWKINS. May the Chair just interrupt to excuse Mayor Holland. I understand he is supposed to be testifying before another committee. And if the members have no further specific questions of Mayor Holland, I would like to take this opportunity of releasing him to his other commitment.

Mr. HOLLAND. Thank you, Mr. Chairman. But before I leave, how do you choose between pre Head Start, Head Start, follow-through, counseling?

I would hope that this bill would be passed, and if there is to be any compromise that it be on the degree of funding, but that all of the elements in the bill be addressed to some extent, at least.

Thank you, Mr. Chairman.

Chairman HAWKINS. Well, may the author of the bill say that he has no idea or any plan to give any priority within the structure of the bill itself. The bill is a package. The author will insist that it be dealt with as a package, and if there is any prioritizing I think that it should be in the larger context of the budget itself.

There are other issues within the budget that can stand a cut in preference to education, so I don't think we need to confine it merely to education. Let's look at the total budget and see if there are some other issues, some other items within that budget structure.

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If cuts need to be made, I think there are other places that it can be made. But it certainly is not my intent, as the author of the bill, to begin to prioritize in the programs within the structure of the bill.

Mr. Owens.

Mr. OWENS. Yes, Mr. Chairman. I am glad to hear that at least the majority agrees that we have already fallen back far enough, and H.R. 2840 represents a fallback, and for God's sake, let's not fall back any further in terms of setting forth what is absolutely necessary for education.

I am one of those who strongly disagrees with the people who have said that the ADEA, the American Defense Education Act, was a pipedream. It was far more significant, in my opinion, for our defense than a number of very expensive items that we have funded in the name of defense.

I wonder in this process what are we saying, what the other side of the aisle is saying, and what are a lot of people saying? I wonder how the argument has been allowed to be given respectability.

I think we should snatch the cloak of respectability away from the argument that we can't do anything about education until we take care of the deficit.

You know, that is a horrendous argument. It is saying to parents, we can't—your generation, your children have to be allowed to go down the drain because we have to deal with the deficit problems. And even if it was an honest assertion it would be horrendous, but there is no honesty to the argument because of the fact that the same people who argue that we can't afford to provide ample funds for education never offer the arguments when we have items before us such as the MX missile.

The MX missile, which all experts agreed we certainly didn't need as a vital component of our defense mechanisms, nevertheless we went ahead and we funded the MX missile.

And we are talking about a bill that cost about $2 billion today. That is less than 15 MX missile silos because each MX missile has to have a superhardened silo which cost about $150 million to prepare, in addition to the MX missile costing $74 million itself.

So, we are talking about 15 MX missile silos. You are talking about 27 MX missiles. You are talking about less than the cost of one aircraft carrier. One nuclear aircraft carrier cost $3.5 billion.

We are talking about a bill for $2 billion to provide a great deal of education for a large number of children.

And my question is, these arguments don't seem to be so subtle. Is there any way that the constituency which you represent and which every congressman has, the parent constituency, the teacher constituency—we have that—is there any way to get this message across to them, that their children are being sacrificed for ridiculous reasons, that the deficit is not an acceptable argument and that we certainly could get rid of a lot of the waste in the defense budget, just that argument alone, to get that argument across and have them get the argument back to their congressman?

Every congressman has a constituency of parents and teachers, and the mystery is why there is so little sentiment on Capitol Hill among Congressmen to do something about an issue which has such a tremendous constituency.

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Is there an education job that needs to be done with that constituency? Have you tried already and found that they are not interested? Is there need to redouble our effort to make these arguments and make them in a more simple and straightforward form?

Ms. WATERMAN. Mr. Chairman and Mr. Owens, the National PTA, comprised of 5.6 million citizens, works for and educates those membership to the job of adequate funding of education, whether it be at the local, State, or Federal level.

Our membership is continuously alerted to the needs of children and have been, to the most point, very supportive of that movement because it is their children and others.

What we are facing is that 25 percent of—we are talking about covering 25 percent of the Nation who have children in school. There is a little void there that we cannot necessarily educate. We do all we can with our membership and there is no problem there.

But we are talking about 25 percent of the Nation have children within schools today.

So, we will continue to educate and to testify and to plead for adequate funding, whether it be at the local, State, or Federal levels, because it is absolutely necessary. And it is an education job, you are absolutely right.

And States who have gone about doing the reforms and the necessary things to rise to excellence and continue on the road to excellence, because many of them had been doing it before, as Mary said, before the many, many papers and reports came out, but it did take additional dollars at the State level, and many States have increased their income taxes, if that is how they were funded, and so forth.

We will continue our partnership, certainly, in getting that message across in every way that we can.

Mr. OWENS. Don't feel weak because you have only 25 percent. The farmers have less than 4 percent of the population and they do very well here.

Ms. WATERMAN. Oh, I take my numbers very strongly, Mr. Congressman. I am delighted with 5.6 million members and hope that the next time I appear before the Congress that we have doubled that amount.

I find that parental involvement is increasing, that there is deeply a concern, more than ever, about what kind of education is taking place within the community schools, and we look at this as a very great sign in involvement in what is so necessary.

Ms. FUTRELL. The National Education Association has done a variety of things to inform not only the members of the organization but to try to inform other individuals, as well.

We have, of course, the congressional contact team which has been responsible for working with the Members of Congress to inform them about SERA and to get them to be supportive.

Just to give you an example, when we were trying to get sponsors for the ADEA, as a result of the work of the congressional contact team we were able to get 300 sponsors, and it was a bipartisan type of support, Republicans and Democrats, as well as Independents.

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So, we have worked through the CCC teams to try to make people more aware of ADEA, now SERA, and to get people to be responsive.

We have also sent information to all of our local and State affiliates—we have 12,000 local affiliates and 53 State affiliates—to provide them with information to use as they talk with parents, as they talk with chambers of commerce, as they talk with local politicians as well as State elected officials, so that they will include as part of their conversation the information around SERA.

We have asked all of our leaders when they give speeches—it doesn't matter whether it is an education type audience or otherwise—that they talk about SERA.

And so, we are trying to reach beyond the 1.7 million members of the NEA into the larger community to inform them not only about the crisis we are facing in education but what we consider to be a very viable solution as we try to address the many problems that we have before us.

And I believe that as the public listens to the presentations that they are more supportive of what we are trying to do.

Unfortunately, I think the public has been sold a bill of goods, the public has been told on the one hand, we have problems, but they have been told on the other hand, we don't need to spend any more money on education, we have already spent too much and we haven't seen the result that we want to see.

I would say to the public, we haven't gone far enough. We have spent enough money to only maybe scratch the surface.

A typical example, only 10 percent of the children who need to be served by bilingual programs are being serviced. Only 45 percent of those who need chapter 1 services are being serviced.

So, we have really only scratched the surface. And if we could provide funding and programs for all the children, then I think we would see even higher results.

We are seeing good results as it is but we need to do even more and we need to convince the public that, yes, we have problems and the only way we are going to be able to really address the problems will be to have programs and staff in place to help the children, and that is going to cost money.

Mr. OWENS. Thank you very much. No further questions.

Chairman HAWKINS. Thank you.

Mr. Gunderson.

Mr. GUNDERSON. Thank you, Mr. Chairman.

I will try to be brief, and I guess I am going to make a statement and then solicit reaction to it.

Generally, I think the whole Federal role in education started out as one of access and equality in educational opportunities regardless of race, color, sex, ability to pay, et cetera.

I think we have moved from there to a second phase, which is dealing with special populations, the title I or chapter 1, the handicapped program, migrant education, bilingual, and those type of programs.

What we are really discussing today, it seems to me, is the question of whether or not the Federal Government ought to move to a third level of involvement in education, and that being in terms of special projects, going above and beyond these first two areas.

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I have always indicated that I have some hesitancy for the Federal Government to get involved in general school aid funding and general operations.

At the same time, I have also indicated that I have no problem with the Federal Government getting involved in the issue of special projects. I think the issue of excellence in education, for example, especially one time efforts to upgrade education, is not a bad concept for the Federal Government to be in.

I would just like to make two comments regarding the bill that is at hand. I have quoted the NEA many times in saying that education ought not be treated any worse than the best element of the Federal Government in the 1986 budgetary process.

I think that is fair. I think it is defensible. I happen to agree with it.

I happen to be a guy who is voting for a freeze for everything, including defense, so I may not be supporting as high of funding levels as some others, but I think that is an absolutely defensible statement.

I would indicate to you that if you would at all consider revising H.R. 2840 from the direct authorization levels of $2 billion and such sums after that, to a "such sums" initially, as we did with the NDEA last year in committee, that I would be willing to cosponsor the legislation because it allows me to say, yes, there is a Federal role here, but it also allows me to do it within the overall budgetary confines that you have espoused and that I happen to support.

The second basic difference of this bill from what we saw last session is you seem to simply distribute the funds to all LEA's by formula this year, where, if I recall, last year the NDEA bill provided an opportunity for competitive grants. If a school wanted to improve the quality of education and would indicate certain tasks that they wanted to embark upon, they would have the opportunity to apply for those funds.

I am not necessarily convinced this alternative is worse in any sense. I think it allows, frankly, some of our small rural schools that may not be the best at writing grants to achieve the funds.

Of course, the problem we run into there is if we are going to distribute the funds nationally to every LEA, you know, a couple of hundred dollars does not a problem solve. And so we have a conflict in that area.

So, I am sharing with you more some of the struggles I see in this legislation and hopefully opportunities in which we can work together in the future more than asking a direct question.

If you would like to comment, I would be interested in your reaction.

Ms. FUTRELL. Well, first of all, I would like to suggest that level three not be special projects but it be educational excellence, because I think that that is where we really are, trying to provide educational excellence for all children in America, regardless as to who they are, where they are.

But with reference to the bill itself and your concerns, we would be very happy to sit down with you and to talk to you about your concerns in more detail.

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I am sure that Chairman Hawkins would be willing to do the same thing, be willing to sit down and talk with you, but I can't speak for him.

With reference to the part dealing with whether the LEA's want the money or not they get it, it was my understanding that they would assess their situation, develop a program, and apply for the grant, and then if they were approved the money would go to them.

They would not just automatically receive money, but they would have to demonstrate need and a plan as to how they propose to address that need.

And I see the basic concept still in the SERA bill. But we would be very happy to sit down with you and to talk to you about the concerns that you have expressed and do what we can. Hopefully, we will be able to convince you to be a sponsor.

Mr. GUNDERSON. All right. Thank you very much.

Thank you, Mr. Chairman.

Mr. OWENS [presiding]. Chairman Hawkins had to leave to go to the floor because the very important bill, which I think is of concern to most of us here, H.R. 7, is up for discussion today.

If there are no further questions or comments, I want to thank the panelists for excellent presentations, and the hearing is now adjourned.

[Whereupon, at 11:54 a.m., the subcommittee was adjourned.]

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